

## 1 January 2017 - Improvements to Wage Subsidies

### What is a wage subsidy?

A wage subsidy is a financial incentive of up to \$10,000 (GST inclusive) that is available to qualifying businesses that employ eligible job seekers.

To improve and simplify the process of applying for a wage subsidy, a number of changes come into effect from 1 January 2017:

- wage subsidies will be paid over six months instead of 12 months
- an optional 'kickstart' payment of up to 40 per cent of the wage subsidy is available four weeks after the job starts
- the minimum working hours will be an average of 20 hours per week, over the six month term of the wage subsidy agreement
- payments are at a flat rate for the 20 hours per week
- improved online functionality and streamlined wage subsidy agreements processes
- wage subsidy agreements can be signed within 12 weeks (84 calendar days) after the job started instead of 28 days
- a **new Youth Bonus wage subsidy** of up to \$10,000 (GST inclusive) will be available to employers who hire eligible job seekers who are 15 to 24 years old.

### Flexibility for your business

Due to the new extended period, employers have the choice of a 12 month wage subsidy agreement now, or to wait and enter into a six month agreement in the new year.

Any wage subsidy agreement signed from 1 January 2017 can be applied retrospectively to qualifying employment that began 84 days prior to that date. For example, if the new employee started work on 31 October 2016, the employer will have until 23 January 2017 to enter into a wage subsidy agreement with an employment services provider.

### Want more information?

Contact your employment services provider for more information specific to your business needs.

To find a provider go to:

[www.jobsearch.gov.au/serviceproviders](http://www.jobsearch.gov.au/serviceproviders)

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If you are deaf, or have a hearing or speech impairment you can use the National Relay Service. For more information, visit [www.relayservice.gov](http://www.relayservice.gov)

*\* Note that call charges apply for calls to '13' and '1800' numbers from mobile phones.*