


# ***TGD 94/D4 - Training guarantee: does the instructor's salary or wages during structured on-the-job training qualify as eligible training expenditure?***

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Draft Training Guarantee Determinations (TGDs) represent the preliminary, though considered, views of the ATO. Draft TGDs may not be relied on; only final TGDs are authoritative statements of the ATO.

## Draft Training Guarantee Determination

### **Training guarantee: does the instructor's salary or wages during structured on-the-job training qualify as eligible training expenditure?**

1. Yes. During structured on-the-job training, the instructor's salary or wages relating to the periods of instruction and closely supervised practice will qualify as eligible training expenditure. However, salary or wages relating to any generally supervised practice will not qualify.
2. Subsection 27(4) of the *Training Guarantee (Administration) Act 1990* ('the TGAA') provides that an eligible training program that consists of, or includes, on-the-job training cannot include any generally supervised practice.
3. Employers can claim as eligible expenditure an amount calculated as follows:

time spent on instruction and closely supervised practice	X	the hourly rate for that person	=	eligible salary or wages expenditure
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*Example*

*Mary is the supervisor in a printing firm. She is responsible for the training of all new starters and has been for the past five years. She spends 2 hours designing and structuring an on-the-job training program for new starters. Later, she spends 2 hours showing George, a new starter, how to work the printing machine. She then spends 1 hour sitting with him while he operates the machine. For the rest of the day she leaves George on the machine and comes back to check on him occasionally.*

*Mary's employer can claim as eligible salary expenditure:*  
*2 hours spent designing and structuring training*  
*2 hours actual training*  
*1 hour of close supervision.*

*Mary's employer cannot claim any salary or wages relating to the time Mary leaves George on the machine and checks on him occasionally. This is generally supervised practice and is not eligible training under the TGAA.*

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FOI INDEX DETAIL: Reference No.

Related Determinations:

Related Rulings:

Subject Ref: eligible training expenditure; on-the-job training; salary or wages

Legislative Ref: TGAA 27(4)

Case Ref:

ATO Ref: ALB/TG/TGR9

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