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## Media Release

### **FWC decision on apprentice wages accepts the logic, misses the mark - AMWU**

Today's full bench decision by the Fair Work Commission to lift future junior apprentice wages and recognise changing workforce demographics has been welcomed as one that accepts the reality but misses the mark by not including all current apprentices, according to the AMWU.

The AMWU spearheaded the claim for an increase in apprentice wages, a lowering of the adult age for apprentices from 21 to 20 and for employers to meet travel and study costs associated with completing an apprenticeship.

The union argued that granting wage increases for apprentices was an essential step in attracting and retaining trade apprentices and would assist in stemming the drop out rate that had climbed to 48% mainly due to poor wage levels.

The decision accepted the logic of the AMWU argument, but determined to only apply the increases to future junior apprentices commencing their apprenticeship after 1 January 2014.

- The decision will lift a first year apprentice wages to 50% of the trade base wage.
- For apprentices who have finished year 12 the decision resets the relativities at 55% of the trade's rate.
- Second year apprentice wages will be adjusted accordingly to 60% or 65% depending on education level.

This is the first change in relativities for apprentices, with year 10 education levels for over 30 years.

Adult apprenticeships rates will also be lifted in the first and second years however, no adjustment to the age when adult apprenticeship rates commence has been made. Existing adult apprentices will benefit from the increase and the AMWU believes the same result should have been provided for junior apprentices.

Travel, but not accommodation costs incurred on block release will now be payable by the employer. The union welcomed the improvement however had sought that all travel and associated costs of classroom based training be met by the employer.

**The union's National President, Andrew Dettmer, described the decision as bitter sweet.**

"The Full Bench has drawn on many of the experiences of our apprentice members in reaching a conclusion in this matter. Unfortunately, they haven't included those apprentices in the wage adjustment.

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“The Full Bench has accepted the logic that this is about building Australian industry’s competitiveness by developing the critical trade skills needed to lift productivity. This is particularly relevant to our manufacturing sector.

“A key element in that is to make trade apprenticeships more attractive and affordable for people to undertake and to complete.

“So while we welcome the acceptance of the logic, we are less than satisfied that it hasn’t been further applied to current apprentices to make sure they complete their trade training.

“It is vital that as a country we are investing in training our people, not relying on 457 visa programs to temporarily fill skill shortages. Attracting people into apprenticeships and having governments prepared to support trade training opportunities are crucial.

“This decision goes some way to addressing that issue by providing modest and affordable increases in future apprentice wages, and locking in employer responsibilities for meeting costs associated with study.

“However, there is more that needs to be done to address wage levels for current apprentices,” said Mr. Dettmer

The Union welcomed the Commission’s rejection of the AIG applications to limit the access of trainees to entitlements available to other employees under the Award.

**For comment please call Carla Drakeford on 0432 828 004**