

**Addressing
Industrial Relations
Barriers to
the Take Up of
New Apprenticeships**

Project Report

June 2006

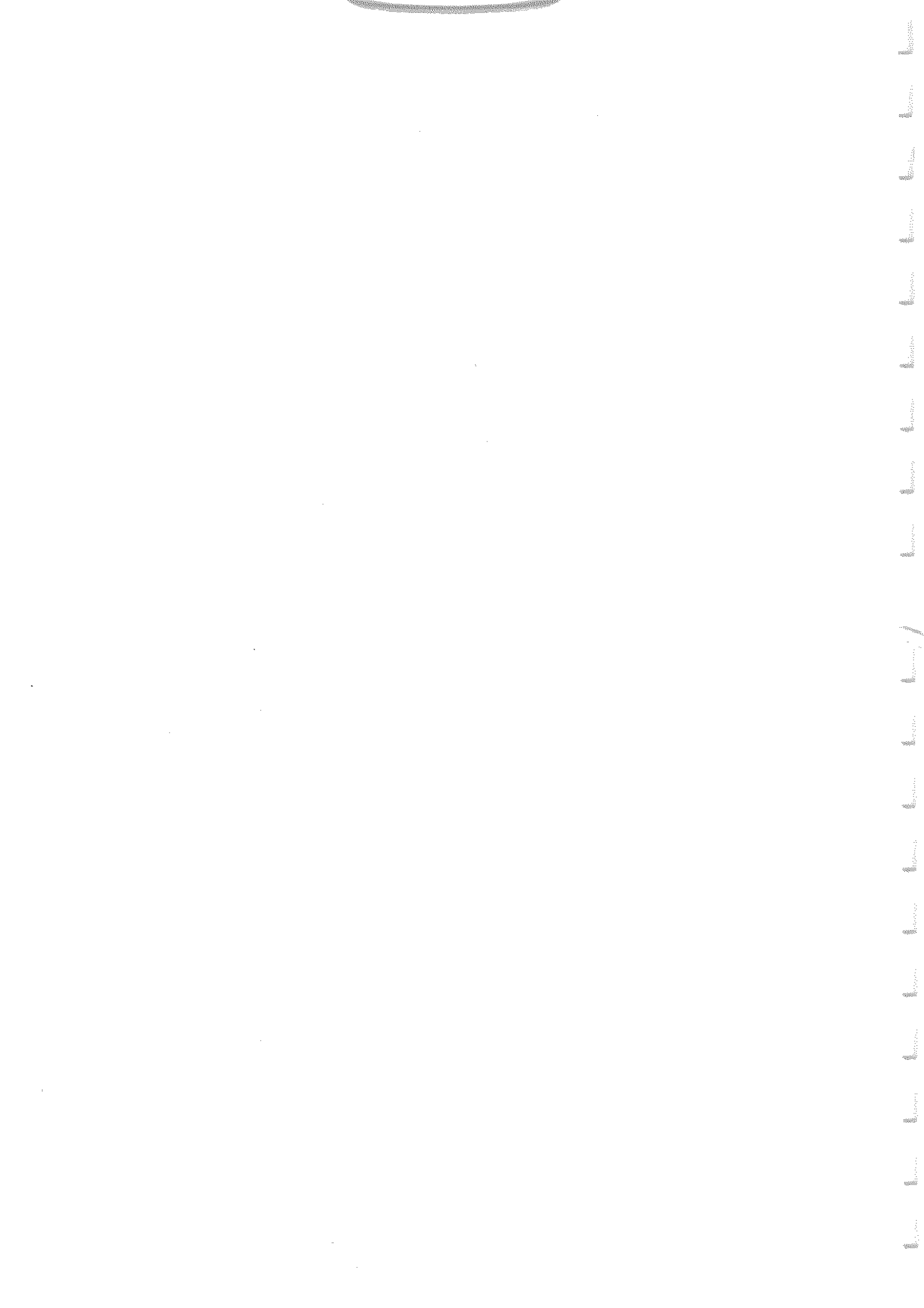
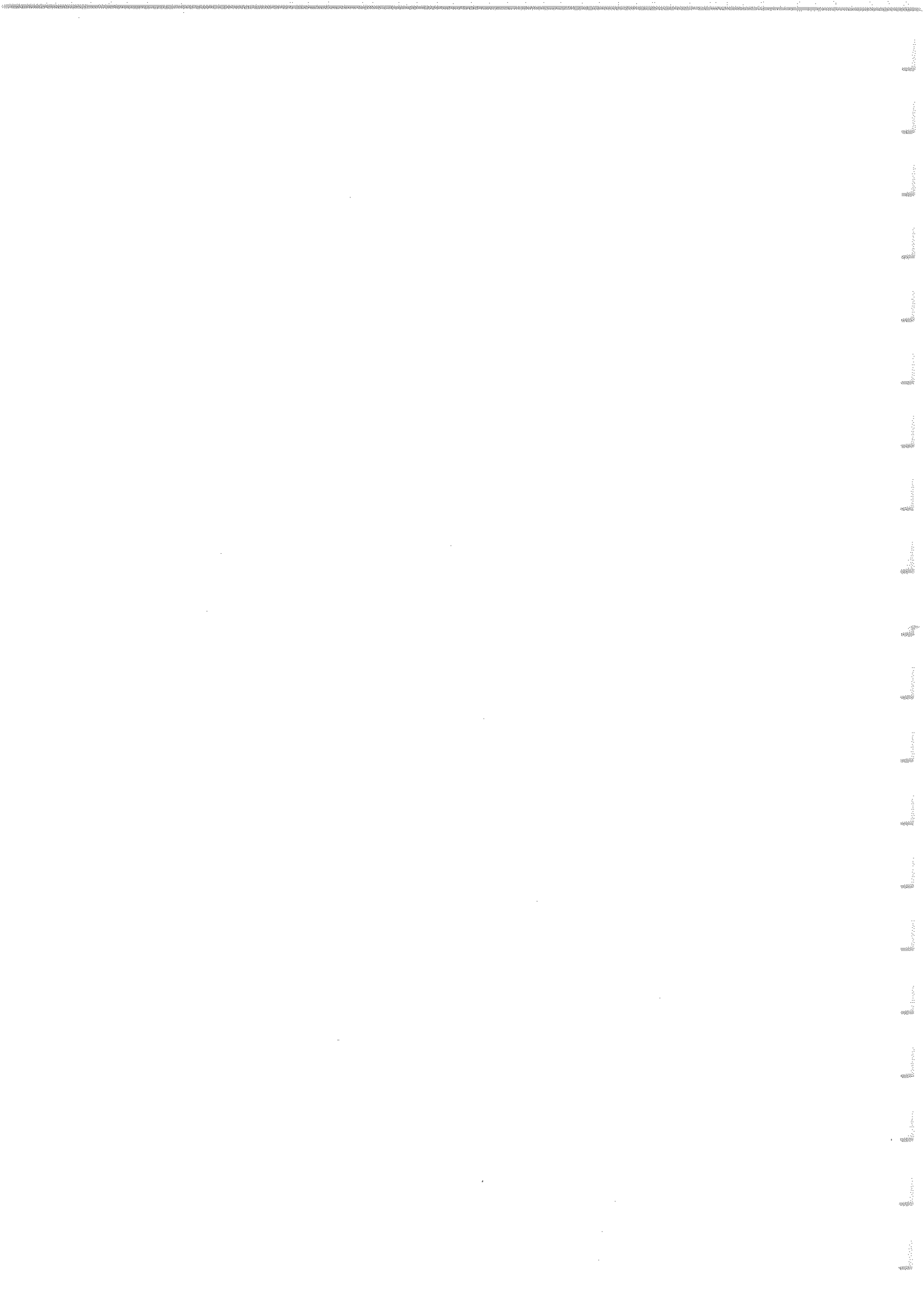


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The Business Plan

Priority One: Business Plan	
1.1 Develop a business plan based on Priority 2-5 of Schedule 1	<p><u>Activity:</u> Develop business plan in consultation with the ACCI Workplace Policy and Employment Education and Training Sections and DEST by 10 October 2005</p>
1.2 Review and revise the business plan in light of amendments to the WR Act.	<p><u>Activity:</u> As above, following the introduction of WR reforms into parliament.</p>
Priority Two: National Training Wage Arrangements	
2.1 Develop strategies to implement the full range of training wage arrangements required to support the take-up of the full range of New Apprenticeships in the federal and state industrial relations jurisdictions.	<p><u>Activities:</u> Undertake research into adult apprentice wages, and develop an industry position, and potentially a model clause to insert into federal and state awards, to encourage adults to undertake part-time or full-time New Apprenticeships.</p> <p>Undertake research into apprentice allowances and bonuses that are in addition to wages. Publish findings.</p> <p>Examine WR reforms and provide input through a submission developed in consultation with ACCI members to the Australian Fair Pay Commission regarding national training wage arrangements.</p>
2.2 Develop Australian Workplace Agreements (AWAs) or similar agreements to cover the full range of New Apprenticeships.	<p><u>Activities:</u> Develop, in conjunction with the OEA and ACCI members, template AWAs for the full range of New Apprenticeships for 2 industries currently experiencing skill shortages.</p>
Priority Three: Variation of Awards	
3.1 Progress the variation of federal and state awards to include the model clause for School-based and part-time New Apprenticeships.	<p><u>Activities:</u> Assist ACCI members to continue the variation of federal and state awards to include the model clause for School-based and part-time New Apprenticeships.</p> <p>In response to workplace relations reforms, develop a submission to the award taskforce, and/or the Australian Fair Pay Commission on school-based</p>

	and part-time New Apprenticeships for their consideration.
<u>3.2</u> Provide employer advice on and input to ensure the federal National Training Wage Award (the Award) is varied as required and reflects the Awards objective.	<p><u>Activities:</u> Provide advice to industry when requested and input into any application to vary the National Training Wage Award.</p> <p>In response to workplace relations reforms, develop submissions to the taskforce and/or the Australian Fair Pay Commission on national training wage arrangements.</p>
Priority Four: Information and Guidance Materials	
<u>4.1</u> Provide secretariat support to the Training Wage Working Group.	<p><u>Activities:</u> Provide secretariat support to the Training Wage Working Group</p>
<u>4.2</u> Provide advice and develop information and promotional material for members on industrial relations arrangements related to the employment of New Apprentices.	<p><u>Activities:</u> Develop at least 2 ACCI review articles on industrial relations arrangements related to the employment of New Apprentices.</p> <p>Issue ACCI EET Circulars on matters related to industrial relations arrangements related to the employment of New Apprentices.</p> <p>Maintain the 'Employers Guide to the National Training Wage Award'.</p> <p>Provide advice on the content of the New Apprenticeships Training Information Service's of the 'New Apprenticeships Guide for Industrial Relations Practitioners'.</p>
Priority Five: Consultation	
<u>5.1</u> Consult with Your Members, other industry groups, the Department of Employment and Workplace Relations, Us, and establish processes with the Australian Council of Trade Unions.	<p><u>Activities:</u> Consult with the following groups when required:</p> <ul style="list-style-type: none"> - ACCI Employment, Education and Training Committee - ACCI Workplace Policy Committee. - JITEC - National Training Wage Reference Group

	- Industry and Government groups
Priority Six: Reporting	
6.1 Provide reports on the outcomes of activities undertaken under the project.	<p>Develop an interim report on the progress of the project by 1 December 2005.</p> <p>Develop an interim report on the progress of the project by 1 March 2006.</p> <p>Develop a final report and an evaluation by 1 June 2006.</p>

Priority Two: Implementation of Training Wage Arrangements

ACCI and DEST agreed that ACCI would undertake the following activities to assist the implementation of the full range of training wage arrangements to support the take-up of the full range of New Apprenticeships in federal and state industrial relations jurisdictions.

To:

- Undertake research into adult apprentice wages, and develop an industry position and potentially a model clause to insert into federal and state awards to encourage adult to undertake part-time or full-time New Apprenticeships.
- Undertake research into apprentice allowances and bonuses that are in addition to wages. Publish findings.
- Examine Workplace Relations reforms and provide input through a submission developed in consultation with ACCI members to the Australian Fair Pay Commission regarding national training wage arrangements.

The outcomes of these activities were:

Undertake research into adult apprentice wages, and develop an industry position and potentially a model clause to insert into federal and state awards to encourage adult to undertake part-time or full-time New Apprenticeships.

ACCI recognises that adult apprentices play a crucial role in addressing Australia's skills gaps and shortages. ACCI identified that a number of awards and State arrangements that contain specific wage related provisions for adult apprentices. Typically these arrangements define an adult apprentice as a person of 21 years of age or over at the time of entering into an indenture or training agreement.

Wage related provisions for adult apprentices generally fall into two categories:

1. Specific wage rates for adult apprentices that are either expressed as a percentage of the tradespersons wage, or a minimum weekly wage rate expressed as a dollar figure. Adult apprentice wage rates are higher than those provided to junior apprentices.
2. Protections to ensure that employees entering into apprenticeships as adult do not suffer a reduction in wages.

A typical wage rate clause for an adult apprentice can be found in the Graphics Arts Award. The adult apprentice is paid the percentage listed below of the tradespersons wage rate for each appropriate year of their apprenticeship.

	%
First Year	82
Second Year	87
Third Year	92
Fourth Year	100

Whereas an apprentice not considered to be an adult apprentice would receive the following minimum percentages of wage level 5:

	%
First Year	47.5
Second Year	60
Third Year	72.5
Fourth Year	87.5

As is the case for junior apprentice and apprentice wage rates, the percentage of a tradesperson's wage allocated to each year of an adult apprenticeship varies between industrial arrangements. A recent application by the CFMEU sought to insert the following adult apprentice wage rates into the *National Building and Construction Industry Award 2000*:

Year of contract of training	Relativity (to trade rate)
1 st year	94%
2 nd year	96%
3 rd year	98%
On completion or after 4 years	100%

Existing wage protection clauses are usually expressed in a similar manner to that following: Where a person was employed by an employer in the metal and engineering industry immediately prior to becoming an adult apprentice with that employer, such person shall not suffer a reduction in the rate of pay by virtue of becoming indentured.

ACCI members considered and rigorously discussed the option of developing a model clause for adult apprentice wage rates, however despite existing and growing arrangements decided against such an option for the following reasons:

- Most awards do not contain wage structures or rates for adult apprentices.
- Minimum wages for apprentices should not be set at a level where they become a disincentive for employers to provide training opportunities.
- Australia's workplace relations system is based on agreement making as the primary means for setting terms and conditions.
- The 2004 ACCI survey of apprentice wages demonstrates that employers are clearly using the agreement-making framework to provide wages and conditions above the award minima, where they can, which are tailored to the needs of the business and the employee.
- Economic growth is not assured at all times, therefore the system needs to provide flexibility for wages to respond to cyclical periods of downturn.
- The fact that some employers can make a case for paying higher wages for trainees and apprentices does not provide a rationale for increasing training wages or putting in place higher wage brackets for groups of people with certain characteristics.

ACCI members agree that agreement making in combination with improved Recognition of Prior Learning (RPL) processes, competency based wage progression arrangements, and retaining wage protections for existing employees who enter into an apprenticeship to upskill would attract and appropriately remunerate adult apprentices. ACCI members agree that:

- RPL is a vital element of a flexible training system, and that it needs to be improved. A training system with effective RPL will facilitate valid competency based outcomes for adult, existing workers, and traditional youth apprenticeships.
- Effective RPL with competency based wage progression and agreement making would facilitate a faster supply of skilled & qualified workers into the workforce.
- The upskilling of existing (usually adult) workers provides an alternative source of skilled labour. If upskilling is to reach its full potential to contribute skilled workers, then RPL is an essential factor. Many workers have skills from employment in industries but may be reluctant to commence trade training from the beginning. RPL provides a pathway for their skills to be recognised and their period of training shortened, making the commencement of training more attractive and completion more likely.
- The current system does not give many incentives for training providers to undertake RPL. In fact it is financially negative for providers and expensive for the employees or employers wishing to have existing skills assessed. RPL should be an effective and efficient element of the system on both the demand and the supply aspects with appropriate financial support for training providers and employers.

Undertake research into apprentice allowances and bonuses that are in addition to wages.

At the EET Committee Meeting on 11 April 2006, ACCI members agreed to ACCI undertaking a second survey of apprentice wages, including inquiring into apprentice allowances and bonuses, and member agreed to participate in the survey.

It was proposed and agreed that the survey would target employers of apprentices and trainees and to collect data to enable differentiation of results based on the type of industrial instrument used, the size of the business (small, medium or large) and the industry sector the business is primarily involved in.

A survey can be viewed at Attachment A. At the time of the writing of the report, a number of ACCI Members are still to return responses to ACCI, although it is estimated that over 500 responses will be returned. An ACCI Review article will be published on the findings of ACCI Survey of Apprentice and Trainee Wages late 2006.

Examine Workplace Relations reforms and provide input through a submission developed in consultation with ACCI members to the Australian Fair Pay Commission regarding national training wage arrangements

The Workplace Relations reforms were and continue to be examined by both the EET and Workplace Policy sections of ACCI.

At the Workplace Policy Committee Meeting on 29 September, the Committee agreed that ACCI, with regard to wage arrangements for apprentices and trainees, should argue for simpler more consistent approaches across industries/awards; and simpler and more comprehensive safety nets for traineeships and apprenticeships that should be developed based on the principles that rates of pay should be internally consistent and that they should reward the accretion and demonstration of skills.

At the EET Committee Meeting on 11 October 2005, the Committee discussed the Federal Government's proposed Workplace Relations reform and the implications for New Apprenticeships. The EET Committee endorsed the establishment of an ACCI joint EET and Workplace Policy Working Party to develop an ACCI position on trainee and apprentice wage structures in preparation for submissions to the Award Review Taskforce and the Australian Fair Pay Commission.

ACCI developed a submission, in consultation with industry, to the Senate Employment Workplace Relations Legislation and Education Committee inquiry into the provisions of the *Workplace Relations Amendment (Work Choices) Bill 2005*. Refer Attachment B

Following the Senate Committee's report on the Bill, ACCI provided feedback to the Minister for Employment and Workplace Relations on seven areas that the committee recommended that the Government consider for amendment, and supported the amendments that related to apprentices and trainees.

The ACCI joint EET and Workplace Policy Working Party met in December and January and developed draft principles for apprentice and trainee wage arrangements related to:

1. Trainee wage arrangements
2. Apprentice wage arrangements
3. Wage progression arrangements
4. Part-time arrangements
5. School-based arrangements
6. Adult training arrangements
7. Wage arrangements for higher level qualifications.

At the EET Committee Meeting on 1 and 2 February 2006 the draft principles developed by the ACCI Joint EET Workplace Policy Working Party to guide the development of ACCI policy on apprentice and trainee wage arrangements were discussed at length.

The EET Committee amended and then endorsed the principles for apprentice and trainee wage arrangements, and the use of the principles to inform the content of ACCI submissions to the Award Review Taskforce and the Australian Fair Pay Commission.

At the Workplace Policy Committee Meeting on 24 February 2006 the Committee endorsed the principles for apprentice and trainee wage arrangements developed by the ACCI Joint EET and WP Working Party on apprentice and trainee wage arrangements, and the use of the principles to inform the content of ACCI submissions to the Award Review Taskforce and the Australian Fair Pay Commission.

The principles for apprentice and trainee wage arrangements were elevated and subsequently endorsed by the ACCI General Council on 28 March 2006. The principles are at Attachment C.

The principles were used to inform the ACCI submission to the Award Review Taskforce on the Rationalisation of Award Wage and Classification Structures. Refer to Attachment D, and subsequent consultations with members of the Award Review Taskforce.

As at 1 June, the ACCI secretariat had established a draft submission to the Australian Fair Pay Commission on Apprentice and Trainee Wage arrangements, however given that submissions written submissions are not due for submission until July 28 2006 a final and agreed version of the submission can not be appended to this report, however it can be stated that the submission to the Australian Fair Pay Commission is based on the principles for apprentice and trainee wage arrangements.

Develop, in conjunction with the OEA and ACCI members, template AWAs for the full range of New Apprenticeships for 5 industries currently experiencing skill shortages.

ACCI conducted discussions with representative from the Office of the Employment Advocate (OEA) and the Office of Workplace Services. ACCI was advised that at this point in time the OEA would not support the development of template AWAs for New Apprenticeships. ACCI Members also approached the OEA and received similar responses.

Considering the advice, ACCI continued to inform its members through Workplace Policy Circulars that legal requirements for the making of workplace agreements had changed, and circulated updated OEA forms and guides.

Priority Three: Variation of Awards

ACCI and DEST agreed that ACCI would progress the variation of federal and state awards to include the model clause for school-based and part-time New Apprenticeships and provide employer advice on and input to ensure the federal National Training Wage Award (the Award) is varied as required and reflects the Awards objective.

The specific activity listed on the business plan to address Priority Three are:

- Assist ACCI members to continue the variation of federal and state awards to include the model clause for School-based and part-time New Apprenticeships.
- In response to workplace relations reforms, develop a submission to the award taskforce, and/or the Australian Fair Pay Commission on school-based and part-time New Apprenticeships for their consideration.
- Provide advice to industry when requested and input into any application to vary the National Training Wage Award.
- In response to workplace relations reforms, develop submissions to the taskforce and/or the Australian Fair Pay Commission on national training wage arrangements.

Assist ACCI Members to Continue the Variation of Federal and State Awards to Include the Model Clause for School-Based and Part-Time New Apprenticeships

A Full Bench of the Australian Industrial Relations Commission (the AIRC) endorsed a model clause for school-based apprenticeships (the SBNA model clause) on 6 March 2000. The SBNA model clause provides a wages safety net for school-based apprenticeships. The SBNA model clause was developed by ACCI and the ACTU with the support of the Commonwealth Government through the work of the National Training Wage Working Group (NTWWG).

The development of the SBNA model clause was seen by the AIRC as an important initiative to provide more educational opportunities and flexibility for young people. The President of the AIRC, initiated a systematic process of reviewing key apprenticeship awards so that consideration could be given to whether the model clause for school-based apprenticeships should be included. This process was undertaken in consultation with ACCI and the ACTU.

Progress to insert the model clause has been slow. At 1 October 2005, only 24 awards had been varied to include the SBNA model clause (or variation of), they are are:

- *AWU Commercial Landscaping Award 2001*
- *AWU Miscellaneous Workers (ACT) Award 1998*
- *Bakers (ACT) Award 1998*
- *Bread Trade (Victoria) Award 1999*
- *Clothes Trades Award 1982*
- *Dry Cleaning Industry Award 2000*
- *Gardening, Nurseries and Greenkeeping (Northern Territory) 1998*
- *Health and Allied Services – Private Sector – Victoria Consolidated Award 1995*
- *Hospitality Industry - Accommodation, Hotels, Resorts and Gaming Award 1998*
- *Hotels, Motels, Wine Saloons, Catering, Accommodation, Clubs and Casino Employees (NT) Award 2002*
- *Liquor and Accommodation Industry - Restaurants - Victoria - Award 1998*
- *Liquor and Allied Industries Catering, Café, Restaurant etc (ACT) Award 1998*
- *Liquor Industries Hotels, Hostels, Clubs and Boarding Establishments etc (ACT) Award 1998*
- *Metal, Engineering and Associated Industries Award 1998 - Part 1 (does not apply to onsite construction)*
- *National Building and Construction Industry Award 2000*
- *Pastrycooks (Victoria) Award 1999*
- *Postal Services Industry Award 2003*
- *Retail and Wholesale Industry - Shop Employees - Australian Capital Territory - Award 2000*
- *Shop Distributive and Allied Employees Association - Victorian Shops Interim Award 2000*
- *Shop, Distributive and Allied Employees Association Award 2005*
- *Sportsground Maintenance and Venue Presentation (Victoria) Award 2001*

- *Telecommunications Services Industry Award 2002*
- *Textile Industry Award 2000*
- *Vehicle Industry - Repair, Services and Retail Award 2002*

The following 5 Awards should have been varied, however this was not done:

- *Automotive Service (Northern Territory) Award 2002*
- *Federal Meat Industry (Retail & Wholesale) Award 1996*
- *Federal Meat Industry (Smallgoods) Award 2000*
- *Funeral Industry Award 1994*
- *Victorian Local Authorities Award 2001*

In May 2004, ACCI obtained in principle agreement from the ACTU to prepare consent applications to vary certain federal awards to include the SBNA model clause. However, previously, an agreement was not reached on the principle of including provisions for school-based apprentices in the building and construction industry (*National Building and Construction Industry Award 2000*), and this case proceeded to arbitration. The AIRC's systematic process of reviewing key apprenticeships awards ceased pending the outcome of this case. The decision was handed down on 5 August 2004 and the found in favour of ACCI and ACCI members to vary the award to include the SBNA model clause, and a final order was issued on 1 November 2004.

Federal Awards that ACCI obtained in principle agreement from the ACTU to prepare consent applications to vary to include the SBNA model clause follow:

- *Baking & Pastrycooking Industry (NT) Award 2002*
- *Building and Construction Industry (ACT) Award 2002*
- *Building and Construction Industry (NT) Award 2002*
- *Building Services (Victoria) Award 2003*
- *Business Equipment Industry - Technical Service - Award 1999*
- *Catering (Victoria) Award 1998*
- *Electrical, Engineering and Contracting Industries (NT) Award 1995*
- *Federal Meat Industry (Processing) Award 2000*
- *Furnishing Industry National Award 2003*
- *Graphic Arts - General - Award 2000*
- *Grocery Products Manufacture - Manufacturing Grocers Award 2003*
- *Hairdressing and Beauty Industry (ACT) Award 1998*
- *Hairdressing and Beauty Industry (NT) Award 2002*
- *Hairdressing and Beauty Services - Victoria - Award 2001*
- *Health and Allied Services - Public Sector - Victoria Consolidated Award 1998*
- *Horse Training Industry Award 1998*
- *Horticultural Industry (AWU) Award 2000*
- *Laundry Industry (Victoria) Award 1998*
- *Licensed Clubs (Victoria) Award 1998*
- *Liquor Trades Hotels (ACT) Award 1998*
- *Metal Industry (NT) Consolidated Award 2001*
- *Metal Trades (ACT) Award 2000*
- *Milling Industry - General Award 1999*

- *Miscellaneous Workers (NT) Award 2001*
- *Motels, Accommodation and Resorts Award 1998*
- *National Electrical, Electronic and Communications Contracting Industry Award 1998*
- *National Fast Food Retail Award 2000*
- *National Metal and Engineering On-site Construction Industry Award 2002*
- *Pastoral Industry Award 1998*
- *Pharmaceutical General: CSL Award 1998*
- *Plumbing (Qld & WA) Award 1999*
- *Plumbing Industry (ACT) Award 1999*
- *Plumbing Trades (Southern States) Construction Award 1999*
- *Power and Energy Industry Electrical, Electronic & Engineering Employees Award 1998*
- *Regional Daily Newspapers (Printing) Award 2001*
- *Rubber, Plastic and Cable Making Industry - General - Award 1998*
- *Saddlery, Leather, Canvas and Plastic Material Workers' Award 1999*
- *Timber and Allied Industries Award 1999*
- *Transport Workers Award 1998*

Following the Howard Government's re-election in October 2004 and the announcement of Workplace Relations reforms, there was reduced interest from the ACTU in working cooperatively to progress the variations, and no further consent applications to insert the SBNA model clause were lodged with the AIRC.

After the election commitment to remove industrial barriers to school-based apprenticeships was announced, ACCI sought a legislative solution to provide wage arrangements for school-based apprentices rather than pursue Award – by – Award variations in the AIRC.

On 20 September 2005, in a Media Release titled '*Workplace Relations Reforms and Apprenticeship*' the Prime Minister announced that "*workplace relations barriers that restrict opportunities for young Australians to enter an apprenticeship will be removed*". The Prime Minister stated that "*the workplace relations reform legislation will deliver the changes to increase the uptake of school-based and part-time apprenticeships*", and in particular will:

- see the removal of provisions in awards that restrict the range of apprenticeships available, including provisions that regulate or limit the duration of New Apprenticeships;
- include standard minimum wages for school-based traineeships and apprenticeships that will take effect immediately and be available for Australian Technical Colleges; and
- establish the Australian Fair Pay Commission (AFPC). The AFPC will:
 - set minimum wages for trainees;
 - have discretion to establish separate minimum wages for all categories of trainees;
 - have power to take action to ensure that the full range of apprenticeships and other training arrangements created by the training system will have appropriate wages; and

- establish minimum training wages for all types of apprenticeships to cover gaps in state or federal award coverage.

The *Workplace Relations Amendment (Work Choices) Bill 2005* was introduced into the House of Representatives on 3 November 2005, and received Royal Assent on 14 December 2005. *Workplace Relations Amendment (Work Choices) Bill 2005* (the Bill) was introduced into the House of Representatives this morning. Schedule 3 of the Bill generally provides for pay and conditions for school-based apprentices and school-based trainees.

The reforms cut across the restrictions of the award system and allow for industry wide engagement of school-based apprentices and trainees (although limited by the reach of the constitutional corporations power which covers approximately 85% of employees), and importantly the wage rates contained in the legislation facilitated the operation of Australian Technical Colleges in 2006. A summary of the provisions in Schedule 3 of the *Workplace Relations Amendment (Work Choices) Bill 2005* follows.

School-based apprentices	School-based trainees
<i>Application of Schedule 3</i>	
Provisions only apply to school-based apprentices who are <u>not</u> already covered by a wage instrument (eg an award) that specifies a rate of pay through a specific provision for school-based apprentices.	Provisions only apply to school-based trainees who are <u>not</u> already covered by a wage instrument (eg an award) that specifies a rate of pay through a specific provision for school-based trainees.
<i>Rates of pay</i>	
The rate of pay for a school-based apprentice is an hourly rate paid only for hours worked on-the-job and calculated using the formula: Full-time first-year apprentice hourly rate* multiplied by (125/100) * <i>full-time first-year apprentice hourly rate</i> means: (a) the hourly rate of pay specified, in the applicable wage instrument, for a full-time first-year apprentice doing the same kind of work, in the same location and for the same employer as the school-based apprentice; or (b) if the rate of pay specified in the applicable wage instrument is not an hourly rate—that rate converted into an hourly rate.	The rate of pay for a school-based trainee is an hourly rate paid only for hours worked on-the-job of: (a) \$7.27 per hour for a calendar year for a school-based trainee enrolled in a year up to and including Year 11 (b) \$7.99 per hour for a calendar year for a school-based trainee enrolled in Year 12 or a later Year.
<i>Additional conditions</i>	
A school-based apprentice is entitled to any additional conditions to which a full-time apprentice doing the same kind of work, in the same location and for the same employer would be entitled, adjusted as necessary in proportion to the hours worked on-the-job by the school-based apprentice.	A school-based trainee is entitled to any additional conditions to which a full-time trainee doing the same kind of work, in the same location and for the same employer would be entitled, adjusted as necessary in proportion to the hours worked on-the-job by the school-based trainee.

<p>Regulations may determine, or make provision for determining, either or both of the following:</p> <p>(a) whether particular full-time conditions should be adjusted in proportion to the hours worked on-the-job by the school-based apprentice;</p> <p>(b) the method for adjusting particular full-time conditions in proportion to the hours worked on-the-job by the school-based apprentice.</p>	<p>Regulations may determine, or make provision for determining, either or both of the following:</p> <p>(a) whether particular full-time conditions should be adjusted in proportion to the hours worked on-the-job by the school-based trainee;</p> <p>(b) the method for adjusting particular full-time conditions in proportion to the hours worked on-the-job by the school-based trainee.</p>
<i>Limitations</i>	
<p>These provisions do not prevent school-based apprentices from receiving a rate of pay or conditions more generous than those provided in Bill.</p>	<p>These provisions do not prevent school-based trainees from receiving a rate of pay or conditions more generous than those provided in the Bill.</p>
<i>Loading in lieu of certain conditions</i>	
Pay for apprentices who were school-based apprentices	
<p>For the purposes of determining the rate of pay under a wage instrument for a full-time apprentice doing the same kind of work he or she did as a school-based apprentice, then the following applies:</p> <p>The person's time as a full-time apprentice is taken to include the period calculated using the formula:</p> <p>Time as a school-based apprentice multiplied by (1/2).</p>	<p>The employer of a school-based trainee may, with the written agreement of the school-school-based trainee a loading in lieu of paid annual leave, paid sick leave, paid personal leave and payment for public holidays.</p> <p>The loading is payable for all hours worked on-the-job and is calculated using the formula:</p> <p>Hourly rate paid to the school based trainee multiplied by (20/100)</p> <p>Note: The loading does not compensate for <u>work</u> (vs payment) done on a public holiday. A school-based trainee who works on a public holiday would be paid the applicable hourly rate for such work.</p>

The Bill also provided for the removal of provisions in awards that restrict the range and duration of New Apprenticeships (although no interim measures were provided as for school-based New Apprenticeships), and legislatively established the Australian Fair Pay Commission, which will set and adjust minimum apprentice and trainee wages, among other wages.

In a written submission to the Senate Employment, Workplace Relations and Education (Legislation) Committee Inquiry into the *Workplace Relations Amendment (Work Choices) Bill 2005*, ACCI stated the following with regard to school-based and part-time apprentices and trainees:

354. Schedule 3 of the Bill addresses 'School Based Apprentices and Trainees', and seeks to insert a new Part XVII into the Workplace Relations Act 1996.

355. *These are specific measures aimed at overcoming a deficiency in federal awards.*

356. *For several years, various attempts have been made to overcome a lack of appropriately tailored wages and conditions to assist employees wishing to undertake a part-time or school-based new apprenticeship.*

357. *Some progress was made with the creation of a joint 'model clause' between the ACTU and ACCI in 2000. This model clause provided an award provision for school-based apprenticeships. The clause addressed how wages and conditions for school-based apprenticeships would be set in awards.*

358. *Following the creation of this clause, several awards have been varied to include school-based apprenticeship clause. Progress, however, has been slow. Only a fraction of the estimated 2000 federal awards have been varied.*

359. *There are various reasons for this:*

a. One is simply an issue of resources and the time and resource intensive nature of federal award variation.

b. The second reason, however, has been the policy position of several ACTU affiliate unions, notwithstanding the position of their peak body, to oppose the introduction of school-based apprenticeships into awards in their industries.

360. *The consequence of this opposition has been twofold:*

a. Often, it has been successful and has frustrated employer attempts to insert such provisions into awards.

b. Protracted, contested arbitration has taken place regarding the merits of inserting such clauses in awards, as occurred in the building and construction industry.

361. *The net outcome has been that very few federal awards currently contain school-based apprenticeship provisions. This makes it very difficult for employers and employees seeking to enter into such arrangements, as appropriate wages and conditions arrangement are lacking.*

362. *ACCI notes that these interim provisions do not extend to part time apprenticeships as such, despite scope for part time apprenticeships within the training system. Awards at present do not provide appropriate wages and conditions to support such apprenticeships. Further reform of award structures is necessary in future to further integrate awards into the contemporary training system.*

Also in 2005, the Australian Government established the Award Review Taskforce to examine and report to Government on two separate but related projects relevant to the Government's workplace relations reform agenda: the rationalisation of awards, and the rationalisation of award wage and classification structures.

With the reduced interest by the ACTU in progressing SBNA model clause variations, the introduction of the Work Choices reforms that provide wage arrangements for

school-based apprentices and trainees and that will in future provide wage arrangements for part-time New Apprenticeships, a new national workplace relations system that will cover 85% of employees, that a number of awards as yet unknown will be rationalised, as will the number of award classifications, along with COAG training outcomes, ~~ACCI members could not be motivated to continuing to vary federal and state awards to include the model clause for school-based and part-time New Apprenticeships.~~ Rather, ACCI members were intent on focusing their efforts on developing suitable wage arrangements for apprentice and trainees that could be adopted by the Award Review Taskforce and the Australian Fair Pay Commission. #

However, ACCI has involved itself in the following matters, which have regard to wage arrangements for apprenticeships:

- An Application to the NSW IRC for a new Award – the *Plumbing Vocational Student Traineeship (State) Award* – by the Master Plumbers and Mechanical Contractors Association of NSW.
- An Application to vary the *National Building and Construction Industry Award 2000*
- An Application to vary the *Metal, Engineering and Associated Industries Award*

The Plumbing Vocational Student Traineeship (State) Award

This application seeks to establish a new award to cover plumbing vocational students based at the Western Sydney Australian Technical Colleges. Although not a party to this application, ACCI opposes this application in-principle, for the following reasons:

- The proposed award seeks to establish a classification which is neither an apprenticeship nor a traineeship.
- The proposed award seeks to establish apprenticeship and traineeship arrangements outside of the standard school-based arrangements.
- ACCI would prefer to implement a school-based provision in the *Plumbers and Gas Fitters (State) Award* which is available industry wide.
- The workplace relations reforms have established wage arrangements for school-based apprentices, specifically so ATCs could utilise these arrangements if no other school-based apprentice wage arrangements are in place.

The Workplace Relations and Training Advisor liaised with Mr Ian Kingsley, Director, Apprenticeships and Traineeships for the NSW Department of Education and Training and Commissioner for Vocational Training, Ms Mary Johnston of the Department of Education, Science and Training, and Mr John Stewart of the Department of Employment and Workplace Relations regarding this application. As at 1 June 2006, the application is proceeding to a hearing, with hearing dates set for July and August 2006.

National Building and Construction Industry Award 2000

22 September 2005, a longstanding application by the Construction, Forestry, Mining and Energy Union (CFMEU) application with the Australian Industrial Relations Commission (AIRC) to vary the *National Building and Construction Industry Award 2000* with regard to wage rates for apprentices and trainees was referred to the

President of the AIRC, after parties, namely the CFMEU and the Master Builders Association (MBA) failed to reach an agreement on matters contained within the CFMEU draft order during conciliation.

Amongst other CFMEU claims, the application sought to:

- Increase apprentice wages from

Year of contract of training	Relativity (to trade rate)
1 st year	45%
2 nd year	55%
3 rd year	75%
4 th year	90%

to

Year of contract of training	Relativity (to trade rate)
1 st year	55%
2 nd year	75%
3 rd year	90%
On completion or after 4 years	100%

- Insert new and separate wage rates for adult apprentices at the following rates:

Year of contract of training	Relativity (to trade rate)
1 st year	94%
2 nd year	96%
3 rd year	98%
On completion or after 4 years	100%

- Sever the link between the industry training wage arrangements and the *National Training Wage Award 2000*.

Submissions were provided to the President of the AIRC on 6 October 2005, and the matter was subsequently referred to a Full Bench of the AIRC. The MBA submission to the AIRC sought for the matter to be adjourned, or if an adjournment was not granted, for the matter to be referred to a Full Bench for hearing. MBA submitted that with training arrangements under review by COAG, QLD & Vic, and the required consideration of state arrangements by the AIRC in cases regarding apprenticeships, and the fundamental principle that wages follow conditions, that the consideration by the AIRC of the matter during the reform environment would be premature.

ACCI considered that the matter could generate precedent for award wage setting arrangements for apprentices and the interaction of the training and workplace relations systems. In light of the potential upcoming full bench hearing and announcements regarding the reform of the workplace relations system (including the proposed establishment of the Australian Fair Pay Commission and the removal of barriers to the take-up of the full range of New Apprenticeships), ACCI considered that there was potential for the case to spark additional union applications to substantially increase award apprentice wages, particularly within the building and construction industry, before the then foreshadowed workplace relations reforms take effect.

The matter was listed for mention and directions before Senior Deputy President Marsh on 25 November 2005. On this day, the ACCI Senior Workplace Relations Training Advisor and the Workplace Relations and Training Advisor sought leave to intervene on behalf of the Australian Chamber of Commerce and Industry.

The outcomes of the mention and directions hearing were handed down on 7 December 2005. The decision (refer Attachment D) referred the issue of wage rates for adult apprentices for further conciliation, and that the parties sit again to hear further submissions or directions once the Work Choices legislation has been passed. ACCI's involvement in this matter ceased at this point in time.

Metal, Engineering and Associated Industries Award

The *Metal, Engineering and Associated Industries Award* was successfully varied to bring about a number of changes to apprentice wages and arrangements, including increasing apprentice rates of pay. ACCI considers that this decision has potential flow-on implications to other Awards as the new arrangements are to be considered by the Award Review Taskforce and the Australian Fair Pay Commission.

The Commissioner, in her judgment (refer Attachment E), referred to various factors supporting the changes to apprentice wages and arrangements, including shortages of skilled employees, the need to make apprenticeships more attractive, and for a more contemporary apprenticeship wages structure which reflects changes in training arrangements and the labour market.

ACCI reviewed the decision against ACCI policy and issued the following information to Members, and various government Departments.

The decision:

1. States that apprenticeships under the award are competency based, and that the time taken to complete an apprenticeship will therefore vary.

ACCI preferred position: ACCI supports the acknowledgement in awards that apprenticeships are competency based, and that the time taken to complete an apprenticeship will vary.

2. Provides a nominal period of four years for an apprenticeship that may be varied for certain reasons, and for the completion of an apprenticeship more quickly than the stated nominal period when certain training obligations are met – including the requirements of the relevant State/Territory Apprenticeship Authority and any requirements of the Manufacturing Industry Skills Council in respect to demonstration of competency and any minimum necessary work experience requirements are met.

ACCI preferred position: ACCI supports the removal of time-served and time-linked apprenticeship arrangements from Awards. Statements regarding the nominal duration of apprenticeship should be contained in guidance material, not in awards. Furthermore, awards should not establish roles for Industry Skills Councils or State/Territory Apprenticeship Authorities, and statements

about the demonstration of competency and necessary work experience should be made in reference to Training Packages.

- Increases apprentice wage relativities to tradespersons wages, and introduces differential rates of pay based on an apprentice's level of schooling.

ACCI preferred position: ACCI opposes further complicating wage structures, and under *Workchoices* is actively pursuing simplified and consistent wage structures and arrangements.

- Introduces rates of pay for higher-level (AQF 4 and 5) apprenticeships.

ACCI preferred position: ACCI supports the introduction of discounted wage arrangements for higher-level qualifications.

- Contains an apprentice rates of pay progression model that has four stages (or levels) and is labelled as a competency base progression model, but in fact the conditions for progressing to each stage contain a secondary time-based progression component as demonstrated in a simplified example taken from the decision below.

5.3.2 Apprentice Rates – Competency Based Progression

The wages for each stage of the apprenticeship are set in clause 5.3.1. The conditions for progression to each stage are set out in the following table.

<i>Stage of Apprenticeships</i>	<i>Progression requirements</i>
<i>Stage 1</i>	-
<i>Stage 2</i>	<p><i>An apprentice enters Stage 2:</i></p> <ul style="list-style-type: none"> - <i>on attainment of 25% of the total competency points for the relevant AQF qualification specified in the training plan; or</i> - <i>12 months after commencing the apprenticeship;</i> <p><i>whichever is earlier.</i></p>
<i>Stage 3</i>	<p><i>An apprentice enters Stage 3:</i></p> <ul style="list-style-type: none"> - <i>on attainment of 50% of the total competency points for the relevant AQF qualification specified in the training plan; or</i> - <i>12 months after commencing Stage 2;</i> <p><i>whichever is earlier.</i></p>
<i>Stage 4</i>	<p><i>An apprentice enters Stage 4:</i></p> <ul style="list-style-type: none"> - <i>on attainment of 75% of the total competency points for the relevant AQF qualification specified in the training plan; or</i> - <i>12 months after commencing Stage 3;</i> <p><i>whichever is earlier.</i></p>

ACCI preferred position: Time based apprentice wage progression should not be contained in awards. Progression should be based on the attainment and demonstration of agreed grouping of competencies. Once an apprentice has attained and demonstrated the agreed group of competencies they should then progress from one pay level to the next. The task of grouping and allocating competencies relevant to specified wage levels should be developed under industry direction and outlined in Training Packages. Groupings and allocations of competencies to wage levels should recognise that some competencies underpin others, while other competencies can be gained in any sequence.

6. Provides multiple entry points to apprenticeships with recognition of skills, knowledge and qualifications acquired.

ACCI preferred position: ACCI supports multiple entry points to apprenticeships.

7. Provides points for persons to exit from apprenticeships with formal qualifications while undertaking Certificate IV and V qualifications. When an apprentice has gained the relevant competencies to achieve a Certificate III qualification whilst undertaking a Certificate IV level qualification, or a Certificate III or IV qualification whilst undertaking a Certificate V level qualification an apprentice may exit with the relevant qualification

ACCI preferred position: ACCI supports multiple exit points to apprenticeships. Exit points must also be provided at the Certificate II level.

Many of the outcomes in this decision are consistent, at least at the level of principle, with the principles developed and endorsed by ACCI. However, there are several significant points of difference between the approach adopted in the decision and ACCI's preferred policy position as outlined.

In Response to Workplace Relations Reforms, Develop a Submission to the Award Review Taskforce, and/or the Australian Fair Pay Commission on School-Based and Part-Time New Apprenticeships for Their Consideration.

See Priority Two.

Provide advice to industry when requested and input into any application to vary the National Training Wage Award.

The *National Training Wage Award 2000* (the NTWA) applies in all states of Australia to trainees covered by federal workplace arrangements.

At the Joint Industry Training and Education Council (JITEC) Forum 2 December 2005 industry parties agreed to progress an application to update the NTWA. JITEC is a forum for employers and unions to discuss vocational and technical education matters of mutual interest. It is co-chaired by a representative from the Australian Chamber of Commerce and Industry and a representative from the Australian Council of Trade Unions.

The Workplace Relations and Training Advisor and an ACTU Industrial Officer discussed via teleconference how to progress such an application, and agreed to progress a consent application to update Schedule C of the NTWA to reflect updated training packages. Schedule C prescribes one of 3 wage levels to Training Packages listed in the Schedule.

The Workplace Relations and Training Advisor identified:

- Obsolete Training Packages listed in Schedule C of the NTWA to be deleted
- Training Packages not listed in Schedule C of the NTWA to be inserted
- Certificate Levels and Wage Levels to be inserted for Training Packages listed in Schedule C of the NTWA
- Titles of Training Packages listed in Schedule C of the NTWA that were out-of-date to be amended.

The Workplace Relations and Training Advisor and the ACTU representative were in contact on a regular and informal basis to develop the application to vary the *National Training Wage Award 2000*. ACCI and the ACTU reached quick agreement on the obsolete Training Packages listed in Schedule C of the NTWA to be deleted and titles of Training Packages to be updated/amended. Agreement by the ACTU on the proposals put forward by ACCI on the insertion of 'new' Training Packages into the NTWA and the insertion of Certificate and Wage Levels for Training Packages listed in Schedule C of the NTWA was minimal due to ongoing concerns held by the ACTU and its affiliates with traineeships.

However, ACCI and the ACTU agreed to progress the following amendments to Schedule C of the NTWA.

Training Packages to be deleted (3)

- *Administration*
Package incorporated into *Business Services* Training Package
- *Forest & Forest Products*
Duplicates correctly titled *Forest & Forest Products Industry* Training Package
- *Meat*
Duplicates correctly titled *Australian Meat Industry* Training Package

Training Packages to be inserted (2)

- *Community Pharmacy*
Cert II allocated to Wage Level B
Cert III allocated to Wage Level A
Agreed by National Training Wage Working Group
- *Conservation Land Management*
Cert II allocated to Level C
Cert III allocated to Level C
Agreed by National Training Wage Working Group

Insertion of new Cert Level and Wage Level for existing Training Packages (2)

- *Automotive Industry Retail, Service and Repair*
Insert Cert III at Wage Level B.
Agreed by the ACTU and AMWU on the proviso that a statement to the effect of the following is included:
*In keeping with the Application of the National Training Wage Award, this allocation is not to apply to apprenticeships available under this Training Package.
- *Civil Construction*
Insert Cert III at Wage Level A.
Agreed by National Training Wage Working Group
Currently the Training Package is listed in Wage Level A without a Certificate Level (drafting error).
- *Financial Services*
Insert Cert II at Wage Level A
Agreed by National Training Wage Working Group

Training Packages that require a name change (14)

- Agriculture → Rural Production
- Assessment and Workplace Training → Training and Assessment
- Horticulture → Amenity Horticulture
- Hospitality Industry → Hospitality
- Museum, Library/Information Services → Museum, Library and Information Services
- National Beauty → Beauty
- National Community Recreation Industry → Community Recreation Industry
- National Fitness Industry → Fitness Industry
- National Outdoor Recreation Industry → Outdoor Recreation Industry

- National Public Service → Public Sector
- National Sports Industry → Sport Industry
- Veterinary Nursing → Animal Care and Management
- Wholesale Training → Wholesale
- Wholesale Training Package → Wholesale

ACCI and the ACTU re-evaluated the progress of the consent application and agreed to consider other variations to improve the operation of the NTWA for inclusion in the consent application, particularly work undertaken by the National Training Wage Working Group in 2004.

ACCI and the ACTU agreed to progress the agreements of the National Training Wage Working Group on the following matters:

- The simplification of the part-time traineeship clause
- The definition of adult trainee
- The inclusion of wage rates for trainees with less than one year out of school
- Other minor editorial changes and amendments to legislative references.

The agreed matters between the ACCI and the ACTU were circulated to National Training Wage Working Group for consideration and comment (see Priority Five for further information on the National Training Wage Working Group).

The Workplace Relations and Training Advisor undertook extensive consultation with industry and employer associations other than ACCI members during the development of the consent application. Industry groups consulted, other than ACCI members included the:

- Australian Funeral Directors Association;
- Australian Interactive Media Industry Association;
- Australian Meat Industry Council;
- Australian Seafood Industry Council;
- Furnishing Industry Association of Australia;
- Hairdressing and Beauty Industry Association;
- National Association of Forest Industries; and
- Soft Furnishing Industry Association of Australia

The ACCI Workplace Relations and Training Advisor developed the draft consent order (Refer Attachment F), which was filed with the Australian Industrial Relations Commission on 15 February 2006 by the Shop, Distributive and Allied Employees' Association. The matter was heard on 24 February 2006 by Commissioner Mansfield, and both the ACCI Workplace Relations and Training Advisor and the ACTU Industrial Officer involved in the development of the application appeared. Commissioner Mansfield issued the order on 27 February 2006 (Refer Attachment G).

In response to workplace relations reforms, develop submissions to the taskforce and/or the Australian Fair Pay Commission on national training wage arrangements.

See Priority Two.

Priority Four: Development of Advice and Information Materials

ACCI and DEST agreed that ACCI would provide secretariat support to the National Training Wage Working Group and provide advice and develop information and promotional material for ACCI members on industrial relations arrangements related to the employment of New Apprentices.

The specific activity listed on the business plan to address Priority Four are:

- Provide secretariat support to the Training Wage Working Group.
- Develop at least two ACCI Review articles on industrial relations arrangements related to the employment of New Apprentices.
- Issue ACCI EET Circulars on matters related to industrial relations arrangements related to the employment of New Apprentices.
- Maintain the '*Employers Guide to the National Training Wage Award*'.
- Provide advice on the content of the New Apprenticeships Training Information Service's publication the '*New Apprenticeships Guide for Industrial Relations Practitioners*'.

Provide secretariat support to the National Training Wage Working Group

The National Training Wage Working Group (NTWWG) was established to ensure the availability of appropriate award arrangements to underpin traineeships and traditional apprenticeships in the training system. The main object of the NTWWG is to maximise training opportunities and access to the full range of training arrangements available.

The NTWWG, previously referred to as 'the Mansfield Group' was instrumental in developing the National Training Wage Award and the model clause for school-based apprentices. A function of the NTWWG is to regularly review the *National Training Wage Award 2000* to meet this objective.

The NTWWG comprises employer, union and government representatives. Representatives from the following organisations make up the membership of the NTWWG:

- Australian Chamber of Commerce and Industry
- Australian Council of Trade Unions
- Australian Industry Group
- Australian Manufacturing Workers' Union
- Department of Education Science and Training
- Department of Employment and Workplace Relations
- Shop Distributive and Allied Employees Association
- Victorian Automobile Chamber of Commerce

In 2004, the ACCI Workplace Relations and Training Advisor resurrected the NTWWG with the cooperation of the ACTU. The NTWWG was re-established and met on 11 August 2004 and 19 October 2004. Work was also undertaken out of session.

The work of the NTWWG in 2004, focused on developing a consent variation to the *National Training Wage Award 2000* to reflect updated training packages and other variations to improve the operation of the *National Training Wage Award 2000*, and developing a *Guide to the National Training Wage Award 2000*.

The work to reflect updated training packages focused on updating Schedule C of the *National Training Wage Award 2000* – a schedule that prescribes one of 3 wage levels (wage scales) to training packages listed in the Schedule. Work to improve the operation of the National Training Wage Award 2000 focused on the simplification of the part-time traineeship clause, the definition of adult trainee, inclusion of wage rates for trainees with less than one year out of school, and wage rates that apply to different training mixes.

In 2004, the NTWWG reached agreement on some of the proposed variations, however work stalled for two reasons, the re-election of the Howard Government and announcements regarding proposed Workplace Relations reforms, and ACTU demands that ACCI agree to include provisions in awards to provide the Australian Industrial Relations Commission with the jurisdiction to settle disputes over a training agreement – an area that falls within State Training Authorities responsibilities. The consent application to vary the National Training Wage Award did not progress.

In 2004, the NTWWG also agreed to develop a *Guide to the National Training Wage Award* (the Guide), and Industry Training Australia (ITA) was contracted to undertake the work. The purpose of the Guide is to provide a simple explanation of the underlying concepts of the *National Training Wage Award 2000* and the operation of the more complex clauses. Initially it was agreed to produce the Guide primarily for employers in a hardcopy brochure format for dissemination, that the Guide should contain simple language and contact information for users to obtain expert advice.

The NTWWG stalled in late 2004, and the Guide was not finalised. The production and dissemination of the Guide in hardcopy format was not seen as cost-effective as the NTWWG was uncertain what the impact of the proposed Workplace Relations reforms would have on the *National Training Wage Award 2000*.

Late 2005, the Workplace Relations and Training Advisor re-established electronic contact with members of the NTWWG. Face-to-face meetings and teleconferences were considered to be an inappropriate and ineffective method of convening the NTWWG during a time when workplace relations reforms were being introduced into parliament. The ACCI Workplace Relations and Training Advisor in consultation with NTWWG finalised the Guide and agreed to release and disseminate the document in an electronic format. The Guide is currently available to download from the ACCI website (refer Attachment H).

Furthermore, following an agreement at the Joint Industry Training and Education Council forum on 2 December 2005 to update the *National Training Wage Award 2000*, representatives of the NTWWG began work on a consent variation to the *National Training Wage Award 2000*. Work was based on the work undertaken by the NTWWG in 2004, however it was initially quarantined to Schedule C of the Award. Eventually work on the part-time traineeship clause, the definition of adult trainee, inclusion of wage rates for trainees with less than one year out of school was also progressed, and a consent application to vary the *National Training Wage Award 2000* was filed with the Australian Industrial Relations Commission on and the application was heard by Commissioner Mansfield on 27 February 2006. The application was agreed to and the order can be found at Attachment G.

Develop at least two ACCI Review articles on industrial relations arrangements related to the employment of New Apprentices

The ACCI Review is a publication that is issued monthly by ACCI to inform readers of ACCI policy on topical matters.

Two articles were published between 1 September 2005 and 1 June 2006 on industrial relations arrangements related to the employment of New Apprentices. The October 2005 ACCI Review contains an article titled '*Training Wage Reform Good for Apprentices*' (refer Attachment I). The March 2006 ACCI review contains an article titled '*Progress Made in COAG National Reform Agenda*' (refer Attachment J – refer section heading Human Capital Reform – Reforming the National Training System, topic heading 3. A more responsive and flexible training system). A further ACCI Review article will be published on the findings of ACCI Survey of Apprentice and Trainee Wages.

Issue ACCI EET Circulars on Matters Related to Industrial Relations Arrangements Related to the Employment of New Apprentices

ACCI EET Circulars are the primary vehicle by which the ACCI secretariat communicates with the ACCI EET members. EET Circulars are issued electronically and provide ACCI members with a summary of relevant Employment, Education and Training matters.

Between 1 September 2005 and 1 June 2006, EET Circulars were issued on the following matters related to industrial relations arrangements related to the employment of New Apprentices:

- Circular 79 – 20 September 2005
Workplace relations reforms to remove barriers to training
- Circular 82 – 26 September 2005
Unions Can't be Trusted on Apprenticeships
Both Sides Win in Howard's Plan for Apprentices
- Circular 87 – 13 October 2005
Building and Construction Industry – Apprenticeship Case
Guide to the National Training Wage Award
- Circular 91 – 2 November 2005
Workplace Relations Bill 2005
- Circular 93 – 8 November 2005
Joint Industry Training & Education Council (JITEC) Meeting
- Circular 98 – 18 November 2005
Joint Industry Training & Education Council (JITEC) Meeting
- Circular 101 – 25 November 2005
Senate Committee Delivers Report on Work Choices
Building and Construction Industry Apprentice Wage Case
- Circular 5 – 25 January 2006
Outcomes of the joint EET and Workplace Policy Working Group
- Circular 8 – 3 February 2006
Apprentice and Trainee Wage Arrangements
- Circular 10 – 8 February 2006
Joint Industry Training Education Council
- Circular 12 – 9 February 2006
Application to Vary the National Training Wage Award
- Circular 14 – 15 February 2006
Wage Rates – ACCI May Intervene
Tools for Your Trade
- Circular 15 – 23 February 2006
Metals Award – Apprentice Wages Decision
- Circular 16 – 24 February 2006
National Training Wage Award
- Circular 24 – 24 March 2006
National Wage Arrangements for Employees Undertaking Traineeships
Apprentice Wage Survey
- Circular 34 – 2 May 2006
ACCI Survey of Apprentice and Trainee Wages

(Refer Attachment K)

Throughout the project period, Workplace Policy Circulars were issued on matters related to industrial relations arrangements related to the employment of New Apprentices. In particular, these circulars addressed the *Workplace Relations (Work Choices) Amendment Bill 2005*, submissions to the Award Review Taskforce, AWA arrangements for New Apprenticeships, and submissions to the Australian Fair Pay Commission.

Maintain the 'Employers Guide to the National Training Wage Award'.

In 2004, the National Training Wage Working Group (NTWWG) agreed to develop a *Guide to the National Training Wage Award* (the Guide), and Industry Training Australia (ITA) was contracted to undertake the work.

The purpose of the Guide is to provide a simple explanation of the underlying concepts of the *National Training Wage Award 2000* and the operation of the more complex clauses. Initially it was agreed to produce the Guide primarily for employers in a hardcopy brochure format for dissemination, that the Guide should contain simple language and contact information for users to obtain expert advice.

In late 2004 the NTWWG processes stalled and the Guide was not finalised. The production and dissemination of the Guide in hardcopy format was not seen as cost-effective as the NTWWG was uncertain what the impact of the proposed Workplace Relations reforms would have on the *National Training Wage Award 2000*.

Late 2005, the Workplace Relations and Training Advisor re-established electronic contact with members of the NTWWG. Face-to-face meetings and teleconferences were considered to be an inappropriate and ineffective method of convening the NTWWG during a time when workplace relations reforms were being introduced into parliament, and were the subject of much political and public debate.

The ACCI Workplace Relations and Training Advisor in consultation with the NTWWG and Industry Training Australia finalised the Guide and agreed to release and disseminate the document in an electronic format. The NTWWG also agreed to allow each party to badge the Guide as their own.

The Finalised Guide provides information on the following topics:

- Traineeships
- About the National Training Wage Award
- Who is Covered by the National Training Wage Award
- How to Determine Wage Rates Using the Award
- Dispute Settlement
- Where to go for Information and Advice
- Contact Details

ACCI distributed the Guide to NTWWG and ACCI Members for distribution. It is currently available to download from the ACCI website (refer [Attachment H](#)).

Provide Advice on the Content of the New Apprenticeships Training Information Service's Publication the 'New Apprenticeships Guide for Industrial Relations Practitioners'

Industry Training Australia is contracted to maintain the publication 'New Apprenticeships Guide for Industrial Relations Practitioners'. This document is available on the Industry Training Australia website (refer Attachment L). Amendments were last made to the Guide in February 2005. The Guide provides information on:

- Training Packages
- Why Industrial Relations Practitioners Need to Get Involved
- Recent Growth and Success of New Apprenticeships
- Benefits and Government Support
- Building New Apprentice Provisions into Awards and Agreements
- Model Clauses
- State and Territory Industrial Arrangements for New Apprentices
- New Apprenticeships Available Now
- Training Package Qualifications
- A Sample of Occupational Covered by Training Package Qualifications
- Key Players and Their Roles
- Wage Enquiry Websites and Contact Numbers

This is a very important and unique document, and ACCI strongly supports the maintenance and regular updating of the Guide. It is obvious that the Guide needs to be updated to reflect the Workplace Relations reforms of 2005-2006, however whilst some preliminary/preparatory work could be undertaken, both Industry Training Australia and the ACCI Workplace Relations and Training Advisor agree that until the Award Review Taskforce's reports are released and the Australian Fair Pay Commission determines wage structures and rates for New Apprentices it is not possible to provide advice on the content of, or amendments to, the guide.

Additional Advice and Information

Media Releases

ACCI released two media releases that provide information on workplace relations and training matters:

- 20 September 2005: *Proposed Workplace Relations Measures Will Boost New Apprenticeships* (refer Attachment M); and
- 9 February 2006: *Workplace Relations Reform Needed to Support Training Reform* (refer Attachment N).

Priority Five: Consultation

ACCI and DEST agreed that ACCI would consult with ACCI members, other industry groups, the Department of Employment and Workplace Relations, the Department of Education Science and Training, and establish processes with the Australian Council of Trade Unions.

The specific activity listed on the business plan to address Priority Five is that ACCI is to consult with the following groups when required:

- ACCI Employment Education and Training Committee
- ACCI Workplace Policy Committee
- Joint Industry Training & Education Council
- National Training Wage Reference Group
- Industry and Government Groups

ACCI Employment, Education and Training Committee

The ACCI Employment, Education and Training Committee (EET Committee) is the principal ACCI committee for the consideration of workplace relations and training matters. The committee met and discussed workplace relations and training matters on four occasions between 1 September 2005 and 1 June 2006. Furthermore workplace relations and training matters are on the agenda for the upcoming June 2006 EET Committee.

EET Committee Meeting – 11 October 2005 – Canberra, ACT

The following workplace relations and training matters were discussed:

- The Federal Government's Workplace Relations reforms and implications for New Apprenticeships.
- The Prime Minister's media release of 20 September 2006 entitled *Workplace Relations Reform and Apprenticeships*.
- The Award Review Taskforce and the Australian Fair Pay Commission.
- The Joint Commonwealth-State Working Group established, as an outcome of the 3 June 2005 Council of Australian Governments meeting, to address barriers across the VET system, and in particular the workplace relations/regulatory barriers that are a priority for industry to have addressed.
- 2005-06 DEST-ACCI Workplace Relations Barriers to Training Project.

The EET Committee endorsed the establishment of a joint EET and Workplace Policy ACCI Working Party to develop an ACCI position on trainee and apprentice wage structures in preparation for submissions to the Award Review Taskforce and the Australian Fair Pay Commission.

Matters raised at the meeting were discussed with Minister Hardgrave at a Roundtable meeting with ACCI members on VTE matters, also on 11 October 2005.

EET Committee Meeting – 7 December 2005- Melbourne, VIC

The following workplace relations and training matters were discussed:

- The ACCI submission on regulatory barriers to the COAG joint Commonwealth-State Working Group established to address barriers across the VET system.
- The outcomes of the Joint Industry Training and Education Council discussions of 2 December 2005 on matters to be addressed by the COAG joint Commonwealth-State Working Group.
- WorkChoices, including the reforms, the Award Review Taskforce, and the Australian Fair Pay Commission.
- The ACCI written and verbal submissions to the Senate Employment, Workplace Relations and Education Legislation Committee into the *Workplace Relations Amendment (Work Choices) Bill 2005*.
- The Joint EET and Workplace Policy Working Party
- CFMEU Ten Point Plan to Address Skill Shortages: *Apprentices – Building Australia's Future*.

- National Training Wage Working Group: *Guide to the National Training Wage Award*.
- CFMEU application to vary apprentice wage arrangements in the *National Building and Construction Industry Award 2000*.
- The Tools for Your Trade Initiative.

The EET Committee agreed to disseminate the *Guide to the National Training Wage Award* to their members, and consider making the Guide available to download from their websites.

EET Committee Meeting – 1 & 2 February 2006- Melbourne, VIC

The draft principles developed by the ACCI Joint EET Workplace Policy Working Party, to guide the development of ACCI policy on apprentice and trainee wage arrangements, were discussed at length.

The EET Committee amended and then endorsed the principles for apprentice and trainee wage arrangements, and the use of the principles to inform the content of ACCI submissions to the Award Review Taskforce and the Australian Fair Pay Commission.

EET Committee Meeting – 11 April 2006- Sydney, NSW

The following workplace relations and training matters were discussed:

- COAG skills outcomes, and the workplace relations implications for these outcomes.
- ACCI survey of apprentice and trainee wages.
- Australian Workplace Agreements for apprentices and trainees.
- The variation to the *National Training Wage Award 2000*.
- Competency based wage arrangements for apprentices and trainees.

The EET Committee agreed to ACCI undertaking a second survey, and members agreed to participate in the survey.

Extraordinary EET Committee Meetings

Two extraordinary meetings of the EET Committee were held with regard to the COAG work to address the barriers across the VET system to achieving a more responsive and flexible national apprenticeship, vocational education and training and skills recognition system to meet both current and future skills needs.

The meetings were conducted via teleconference on 17 November 2005, and 14 March 2006, to discuss the ACCI submission to the COAG working group, and work arising from the COAG outcomes, respectively. At both meetings, workplace relations training matters were raised and discussed.

ACCI Workplace Policy Committee

Workplace relations and cross over training matters have been addressed at ACCI WP Committee meetings in October, November, and December in 2005, and January and February in 2006.

WP Committee Meeting - 29 September 2005 - Melbourne, VIC

The WP Committee agreed that ACCI, with regard to wage arrangements for apprentices and trainees, should argue for:

- simpler more consistent approaches across industries/awards; and
- simpler and more comprehensive safety nets for traineeships and apprenticeships that should be developed based on the principles that rates of pay should be internally consistent and that they should reward the accretion and demonstration of skills.

WP Committee Meeting – 24 February 2006 – Sydney, NSW

The WP Committee endorsed the principles for apprentice and trainee wage arrangements developed by the ACCI Joint EET and WP Working Party on apprentice and trainee wage arrangements, and the use of the principles to inform the content of ACCI submissions to the Award Review Taskforce and the Australian Fair Pay Commission

WP Committee Meeting – 18 May 2006 - Melbourne, VIC

Following the repositioning of the Workplace Relations and Training Advisor from the Employment Education and Training area of ACCI to the Workplace Policy Area within ACCI, a detailed paper was prepared for the WP Committee, the new principal ACCI Committee for the consideration of workplace relations and training matters, on the work undertaken in preparing a submission to the Australian Fair Pay Commission.

The WP Committee:

- endorsed ACCI to develop a submission for the Australian Fair Pay Commission on trainee and apprentice wages which is consistent with the policy work of the joint EET and WP Working Party;
- called on the Australian Fair Pay Commission to acknowledge the legitimate and positive role that concessional wage structures play in providing jobs and skills development opportunities for employees; and
- called for barriers to accessing apprentice and trainee wage arrangements to be removed, particularly in industries such as building and construction.

Extraordinary WP Committee Meetings

Many extraordinary meetings of the WP Committee were held with regard to the WorkChoices reforms. With particular regard to ACCI written and verbal submissions to the Senate Employment, Workplace Relations and Education Legislation

Committee Inquiry into the *Workplace Relations Amendment (Work Choices) Bill 2005*, and the ACCI submissions to the Award Review Taskforce.

The meetings were conducted via teleconference throughout October, November and December 2005. At these meetings, workplace relations and training matters were raised and discussed.

Joint Industry Training and Education Council

ACCI convened two meetings of the Joint Industry Training and Education Council (JITEC) between 1 September 2005 and 1 June 2006. JITEC is a forum for employers and unions to discuss vocational and technical education matters of mutual interest.

JITEC is co-chaired by both an ACCI and ACTU representative. Employer representatives of JITEC may include the ACCI secretariat and ACCI members, representative from the Australian Industry Group, the National Farmers' Federation and the Business Council of Australia

The Workplace Relations and Training Advisor assumed the secretariat role for JITEC between 1 September 2005 and 1 June 2006.

JITEC Forum – 2 December 2005 – Melbourne, VIC

This forum was co-chaired by Mr Steve Balzary, Director, ACCI and Ms Michelle Bissett, Industrial Officer, ACTU.

Representatives from the following employer and employee organisations attended the forum:

- Australian Business Limited
- Australian Education Union
- Australian Manufacturing Workers Union
- Australian Nursing Federation
- Construction, Forestry, Mining and Energy Union
- Electrical Trades Union
- Housing Industry Association
- Master Plumbers' and Mechanical Services Association of Australia
- National Electrical and Communications Association of Australia
- National Retail Association
- Shop, Distributive and Allied Employees Association
- Victorian Automobile Chamber of Commerce
- Victorian Employers' Chamber of Commerce and Industry

The following matters were discussed:

- The COAG review to address barriers across the VET system to achieving a national approach to apprenticeships and training. In particular, matters were identified that both employers and unions could lobby for a common solution, outcome or process.
- Skilled migration – Trades Skill Training Visa.

- Outcomes of the Ministerial Council for Vocational and Technical Education Meeting held on 18 November 2005.
- ILO meetings.
- Draft Terms of Reference for JITEC.

Outcomes of the meeting included the following:

- COAG:
 - Industry parties (employer and employee representatives) work to ensure that they continue to lead the reform of the training system;
 - With regard to the effective implementation of full mutual recognition of skills qualifications across Australia and recognition of overseas qualifications, it was agreed that outcomes need to be improved and based on industry's needs and that quality controls need to be introduced into the system. Furthermore ACCI and the ACTU agreed to look at developing an appropriate model for domestic and international recognition, and appropriate audit processes and implementation processes for such a model.
 - ACCI and the ACTU agreed that there is a need to for increased and improved communication and co-ordination of cross Departmental activities by the Department of Education, Science and Training, the Department of Employment of Workplace Relations, and the Department of Immigration Affairs.
 - It was agreed that funding delivery and restrictions limit the ability of training organisations to facilitate shorter duration apprenticeships based on the premise of true competency based progression.
- Parties agreed to look at updating the *National Training Wage Award 2000*.

JITEC Forum – 3 March 2006 – Melbourne, VIC

This forum was co-chaired by Mr Steve Balzary, Director, ACCI and Ms Sharan Burrow, President, ACTU.

Representatives from the following employer and employee organisations attended the forum:

- Australian Industry Group
- Australian Manufacturing Workers Union
- Australian Nursing Federation
- Australian Services Union
- Business Council of Australia
- Construction, Forestry, Mining and Energy Union
- Electrical Trades Union
- Housing Industry Association
- Master Plumbers' and Mechanical Services Association of Australia
- National Electrical and Communications Association of Australia
- National Retail Association
- National Union of Workers
- Victorian Employers' Chamber of Commerce and Industry

The following matters were discussed:

- The COAG training outcomes.
- Skilled migration – Trades Skill Training Visa.
- Apprentice and Trainee Wage arrangements
- Draft Terms of Reference for JITEC.

Outcomes of the meeting included the following:

- Draft Terms of Reference for JITEC were finalised and endorsed by JITEC.
- The COAG training related outcomes were discussed in great detail.
- ACCI and ACTU agreed to meet in future to discuss competency based wage progression for apprentices, and the wage arrangements for apprentices and trainees proposed by ACCI to the Award Review Taskforce.
- ACCI and ACTU agreed to meet in future to discuss the Trades Skills Training Visa.
- Parties agreed that there is a need for increased and improved communication and co-ordination of cross Departmental activities by the Department of Education, Science and Training, the Department of Employment of Workplace Relations, and the Department of Immigration Affairs.

National Training Wage Working Group

The Workplace Relations and Training Advisor re-established electronic contact with members of the National Training Wage Working Group.

Representatives from the following organisations made up the membership of the National Training Wage Working Group:

- Australian Chamber of Commerce and Industry
- Australian Council of Trade Unions
- Australian Industry Group
- Australian Manufacturing Workers' Union
- Department of Education Science and Training
- Department of Employment and Workplace Relations
- Shop Distributive and Allied Employees Association
- Victorian Automobile Chamber of Commerce

The National Training Wage Working Group, signed off the *Guide to the National Training Wage Award 2000*, and assisted in the development of the application to vary the *National Training Wage Award 2000*.

Industry and Government groups

Industry Groups

Industry groups were consulted on workplace relations and training matters principally through ACCI Employment Education and Training Committee, and the ACCI Workplace Policy Committee. Industry was consulted more broadly on

workplace relations and training matters through the JITEC forums, and the National Training Wage Working Group.

Extensive consultation with industry and employer associations other than ACCI members was undertaken during the development of the application to vary the *National Training Wage Award 2000*. Industry groups consulted, other than ACCI members included the:

- Australian Funeral Directors Association;
- Australian Interactive Media Industry Association;
- Australian Meat Industry Council;
- Australian Seafood Industry Council;
- Furnishing Industry Association of Australia;
- Hairdressing and Beauty Industry Association;
- National Association of Forest Industries; and
- Soft Furnishing Industry Association of Australia

Government Groups

ACCI has consulted with the Department of Education Science and Training and the Department of Employment and Workplace Relations on an ongoing and informal basis on a range of matters. However more formal meetings organised by the workplace relations and training advisor took place on the following occasions: The ACCI Workplace Relations and Training Advisor and Director of Employment, Education and Training met with Ms Rebecca Cross of DEST to discuss the draft ACCI proposal to the Award Review Taskforce for apprentice and trainee wage arrangements.

The ACCI Workplace Relations and Training Advisor and Director of Employment, Education and Training met with the secretariat of the Award Review Taskforce to specifically discuss the proposed ACCI wage arrangements for apprentices and trainees, and the implications of COAG training related outcomes for wage arrangements for apprentices and trainees.

The ACCI Workplace Relations and Training Advisor and Director of Employment, Education and Training met with Ms Rebecca Cross and Mr Jack Giddings of DEST to discuss the ACCI wage arrangements proposed to the Award Review Taskforce for apprentices and trainees.

The ACCI Workplace Relations and Training Advisor and Senior Workplace Policy Advisor met with representatives from the Department of Employment and Workplace Relations to discuss the draft ACCI proposal to the Award Review Taskforce for apprentice and trainee wage arrangements.

The ACCI Workplace Relations and Training Advisor and Senior Workplace Policy Advisor met with representatives from the Department of Employment and Workplace Relations to discuss proposed amendments to the *National Training Wage Award 2000*.

The ACCI Workplace Relations and Training Advisor, Senior Workplace Policy Advisor, and National Manager for Disability Employment Services met with

representatives from the Department of Employment and Workplace Relations to discuss draft proposals for apprentice and trainee wage structures, and wage arrangements for people with a disability, under consideration for inclusion in ACCI submissions to the Australian Fair Pay Commission.

The ACCI Workplace Relations and Training Advisor and Director of Employment, Education and Training met with representatives from the Queensland Government Department of Employment and Training to discuss Queensland's Green Paper: *Queensland's Proposed Responses to the Challenges of Skills for Jobs and Growth – Matching the Supply of Skills to Rapidly Changing Demands: Modern > Educated > Responsive* and ACCI proposal to the Award Review Taskforce for apprentice and trainee wage arrangements.

The ACCI Workplace Relations and Training Advisor liaised with representatives from the New South Wales Government Department of Education and Training regarding an application by the Master Plumbers & Mechanical Contractors Association of NSW (not a member of ACCI) for a new Award to be known as the *Plumbing Vocational Student (ATC based) Training Wage (State) Award*.

ACCI actively participated in consultation processes run by the Award Review Taskforce, Australian Fair Pay Commission, Council of Australian Governments' secretariat, and Senate Employment, Workplace Relations and Education Legislation Committee Inquiry into the *Workplace Relations Amendment (Work Choices) Bill 2005*.

Additional Consultation

Consulting with the ACTU

The Workplace Relations and Training Advisor liaised with the ACTU on a regular and informal basis, particularly, regarding JITEC, the application to vary the *National Training Wage Award-2000*, and the ACCI proposals on apprentice and trainee wage arrangements and people with a disability.

However, two stand out meetings occurred between ACCI and the ACTU. Details follow:

13 April 2006 – Melbourne, VIC

The ACCI Workplace Relations and Training Advisor, the Assistant Director Workplace Relations, and Director Employment, Education and Training met with the ACTU President, ACTU Industrial Officer, and SDAEA Industrial Officer to discuss the wage arrangements for apprentices and trainees put forward by ACCI to the Award Review Taskforce, and ideas for wage arrangements for people with a disability, with a view of developing a mutually agreed in part or in whole submission to the Australian Fair Pay Commission on wage structures, not wage rates, for apprentices and trainees and for people with a disability.

10 May 2006 – Canberra, ACT

The ACCI Workplace Relations and Training Advisor met with an ACTU Industrial Officer to further discuss the ACCI proposals put forward to the Award Review Taskforce on wage arrangements for apprentices and trainees, and the development of mutually agreed submission to the Australian Fair Pay Commission on wage structures for apprentices and trainees.

The Joint EET and Workplace Policy Working Party

December 2005, the Workplace Relations and Training Advisor established a Working Party to examine wage arrangements for apprentices and trainees and to develop an industry position on apprentice and trainee wage arrangements for future consideration by the Award Review Taskforce and the Australian Fair Pay Commission. The Working Group consisted of representatives of the ACCI Employment Education and Training Committee and the Workplace Policy Committee and met in December 2005 and January 2006.

The Working Party discussed wage arrangements for:

- Trainee wage arrangements
- Apprentice wage arrangements
- Progression arrangements
- Part-time wage arrangements
- School-based arrangements
- Adult training wage arrangements
- Wage arrangements for higher level qualifications

From the Working Party meetings the Workplace Relations and Training Advisor developed a draft paper on wage arrangements for apprentices and trainees that was considered and finalised at the Employment, Education and Training Committee at its meeting in February 2006, and endorsed by the Workplace Policy Committee also at a meeting in February.

ACCI General Council

The wage arrangements for apprentices and trainees developed by the Joint ACCI Employment, Education and Training and Workplace Policy Working Party, and finalised and endorsed by the Employment, Education and Training Committee and the Workplace Policy Committee were provided to the ACCI General Council for endorsement. On 28 March 2006, the principles and recommendations for apprentice and trainee wage arrangements were endorsed by the ACCI General Council.

ATTACHMENTS

- A:** ACCI 2006 Survey of Apprentice and Trainee Wages
- B:** Extract of the ACCI submission to the Senate Employment Workplace Relations Legislation and Education Committee inquiry into the provisions of the *Workplace Relations Amendment (Work Choices) Bill 2005*.
- C:** Principles apprentice and trainee wage arrangements
- D:** PR966046: *National Building and Construction Industry Award 2000*
- E:** PR968890: *Metal, Engineering and Associated Industries Award 1998*
- F:** Draft order to vary the *National Training Wage Award 2000*
- G:** PR969102: *National Training Wage Award 2000*
- H:** Guide to the National Training Wage Award
- I:** October 2005 *ACCI Review*, refer article titled 'Training Wage Reform Good for Apprentices'
- J:** March 2006 *ACCI review*, refer article titled 'Progress Made in COAG National Reform Agenda'
- K:** Extracts from ACCI EET Circulars
- L:** *New Apprenticeships Guide for Industrial Relations Practitioners*
- M:** Media Release: 20 September 2005: *Proposed Workplace Relations Measures Will Boost New Apprenticeships*
- N:** Media Release: 9 February 2006: *Workplace Relations Reform Needed to Support Training Reform*
- O:** ACCI submission to the Award Review Taskforce on the Rationalisation of Award Wage and Classification Structures.

ATTACHMENT A

ACCI 2006 Survey of Apprentice and Trainee Wages

Please turn over the page.

ACCI 2006 Survey of Apprentice and Trainee Wages

Completed forms can be faxed to 02 6273 3196, or emailed to susannah.smith@acci.asn.au

Enterprise Details

- Total number of employees in organisation: _____
- State or Territory in which most employees are employed: _____
- Which of the following best describes your location:

Metropolitan	<input type="checkbox"/>	Regional Centre	<input type="checkbox"/>	Rural	<input type="checkbox"/>
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- Are you a group training company? Yes No
- In which industry sector is your enterprise primarily involved?

Mining	<input type="checkbox"/>	Electricity, Gas and Water Supply	<input type="checkbox"/>
Education	<input type="checkbox"/>	Accommodation, Cafes and Restaurants	<input type="checkbox"/>
Construction	<input type="checkbox"/>	Finance, Insurance, Property or Business Services	<input type="checkbox"/>
Manufacturing	<input type="checkbox"/>	Government Administration and Defence	<input type="checkbox"/>
Transport and Storage	<input type="checkbox"/>	Health or Community Services	<input type="checkbox"/>
Wholesale/Retail Trade	<input type="checkbox"/>	Cultural, Recreational, Personal or Other Services	<input type="checkbox"/>
Communications Services	<input type="checkbox"/>	Other – please specify: _____	

Note: If you employ one or more apprentice, complete questions 6–13. If you employ one or more trainee, complete questions 14-20. If you employ both apprentices and trainees complete question 6-20.

Apprentice Wage Details

- How do you recruit apprentices?

Hire directly	<input type="checkbox"/>	Through a group training company	<input type="checkbox"/>
Both	<input type="checkbox"/>	Other – please specify: _____	
- Have you experienced difficulty in attracting applicants for apprenticeships in the past 12 months?
Yes No
- In which occupational group are the majority of apprentices employed?

Metals	<input type="checkbox"/>	Specialty Manufacturing	<input type="checkbox"/>
Automotive Retail & Repair	<input type="checkbox"/>	Electrical	<input type="checkbox"/>
Building & Construction	<input type="checkbox"/>	Hairdressing & Personal Services	<input type="checkbox"/>
Hospitality	<input type="checkbox"/>	Other – please specify: _____	

9. Please provide details of the apprentices you employ:

1 st Year Apprentices			
Total number of 1 st year apprentices?	Number of 1 st year apprentices paid above award wages?	Approximate percentage above award wage rate?	
2 nd Year Apprentices			
Total number of 2 nd year apprentices?	Number of 2 nd year apprentices paid above award wages?	Approximate percentage above award wage rate?	
3 rd Year Apprentices			
Total number of 3 rd year apprentices?	Number of 3 rd year apprentices paid above award wages?	Approximate percentage above award wage rate?	
4 th Year Apprentices			
Total number of 4 th year apprentices?	Number of 4 th year apprentices paid above award wages?	Approximate percentage above award wage rate?	

10. Why do you pay apprentices above award wages?
- To attract applicants to apprenticeships To recognise life and/or work experiences
- To retain good apprentices To respond to market forces
- To maintain relativities with tradespersons wages in enterprise agreement
- Other – please specify: _____

11. Do you provide apprentices with other benefits or forms of assistance in addition to their wages?
- RTO/TAFE fees Bonus program eg for safety or productivity
- Tools/Equipment/Clothes Other – please specify: _____

12. What industrial instrument do you use to set the pay for apprentices?
- State or Federal Award Enterprise/collective agreement
- Individual agreement Other – please specify: _____

13. Please specify the relevant industry award/s that would cover your apprentices.
- _____

Trainee Wage Details

14. How do you recruit trainees?
- Hire directly Through a group training company
- Both Other – please specify: _____

15. Have you experienced difficulty in attracting applicants for traineeships in the past 12 months?
- Yes No

16. In which occupational group are the majority of trainees employed?
- Metals Specialty Manufacturing
- Automotive Retail & Repair Electrical
- Building & Construction Hairdressing & Personal Services
- Hospitality Other – please specify: _____

17. Please provide details of the trainees you employ:

Total number of trainees?		Number of trainees paid above award wages?		Approximate percentage above award wage rate?	

18. Why do you pay trainees above award wages?
- To attract applicants to traineeships To recognise life and/or work experiences
- To retain good trainees To respond to market forces
- To maintain relativities with qualified workers wages in enterprise agreement
- Other – please specify: _____

19. Do you provide trainees with other benefits or forms of assistance in addition to their wages?
- RTO/TAFE fees Bonus program eg for safety or productivity
- Tools/Equipment/Clothes Other – please specify: _____

20. What industrial instrument do you use to set the pay for trainees?
- State or Federal Award Enterprise/collective agreement
- Individual agreement Other – please specify: _____

21. Please specify the relevant industry award/s that would cover your trainees.
- _____

Other Details

22. Do you have any comments you would like to add in relation to apprentice or trainee wages?
- _____
- _____

23. Please provide your name and contact details to be advised of the outcomes of this survey.
- _____

ATTACHMENT B

Extract (pp 64-54) from the ACCI Submission to the Senate, Employment, Workplace Relations and Education Committee Inquiry into the provisions of the *Workplace Relations Amendment (Work Choices) Bill 2005*

Please turn over the page.

SCHOOL BASED APPRENTICES & TRAINEES

354. Schedule 3 of the Bill¹⁰⁷ addresses 'School Based Apprentices and Trainees', and seeks to insert a new Part XVII into the Workplace Relations Act 1996.

355. These are specific measures aimed at overcoming a deficiency in federal awards.

356. For several years, various attempts have been made to overcome a lack of appropriately tailored wages and conditions to assist employees wishing to undertake a part-time or school-based new apprenticeship.

357. Some progress was made with the creation of a joint 'model clause' between the ACTU and ACCI in 2000. This model clause provided an award provision for school-based apprenticeships. The clause addressed how wages and conditions for school-based apprenticeships would be set in awards.

358. Following the creation of this clause, several awards have been varied to include school-based apprenticeship clause. Progress, however, has been slow. Only a fraction of the estimated 2000 federal awards have been varied.

359. There are various reasons for this:

- a. One is simply an issue of resources and the time and resource intensive nature of federal award variation.
- b. The second reason, however, has been the policy position of several ACTU affiliate unions, notwithstanding the position of their peak body, to oppose the introduction of school-based apprenticeships into awards in their industries.

360. The consequence of this opposition has been twofold:

- a. Often, it has been successful and has frustrated employer attempts to insert such provisions into awards.
- b. Protracted, contested arbitration has taken place regarding the merits of inserting such clauses in awards, as occurred in the building and construction industry.

361. The net outcome has been that very few federal awards currently contain school-based apprenticeship provisions. This makes it very difficult for employers and employees seeking to enter into such arrangements, as appropriate wages and conditions arrangement are lacking.

362. ACCI notes that these interim provisions do not extend to part time apprenticeships as such, despite scope for PT apprenticeships within the training system. Awards at present do not provide appropriate wages and conditions to support such apprenticeships. Further reform of award structures is necessary in future to further integrate awards into the contemporary training system.

ATTACHMENT C

Principles for the development of Wage Arrangements for Trainees and Apprentices

Please turn over the page.

Principles for the development of Wage Arrangements for Trainees and Apprentices

1. Trainee and apprentice wage rates are discounted wage rates to recognise:
 - a. time spent in training, on and off the job; and
 - b. that apprentices and trainees are not as skilled or productive as other members of the workforce, particularly during the earlier stages of their training.
2. Apprentice and trainee wage rates are minimum safety net arrangements that should be linked to national industry awards/arrangements.
3. Wage arrangements recognise the gaining of skill at agreed stages during the training process.
4. Wage arrangements are simple and able to be easily understood by both employers and employees.
5. Wage arrangements do not hinder training reform, which can yield arrangements suiting industry and businesses.
6. In making recommendations with regard to apprentice and trainee wage arrangements, the Award Review Taskforce should recognise:
 - a. Complexities in the training system, including differences in traineeships and apprenticeships and the need for separate wage arrangements.
 - b. Pay progression during training should not be based on time served, but rather on recognition and the demonstration of skills attained at agreed points.
 - c. The need for training wage arrangements, including part-time and school-based, to be available industry wide.
 - d. Industry recognises and takes account of skills brought by mature persons entering training through the Recognition of Prior Learning Process.
 - e. Wage arrangements should not impede the ability of industry and individuals to access training reform.

Wage Arrangements for Trainees

Recommendations:

1. That trainee wages are set as a proportion or function of a wage classification (yet to be determined by the AFPC) in rationalised awards, with a safety net rate to apply in other cases.
2. Recognising that such a reform may vary trainee rates of pay, ACCI recommends that wage rates for trainees remain approximately equivalent to the current wage rates.
3. That the wages for trainees are expressed as:
 - a weekly rate, discounted to account for the 20% of a trainees time spent at off-the-job training, and
 - an hourly rate, not discounted to account for the 20% of a trainees time spent at off-the-job training, to allow for wage calculations based on hours worked.
4. That trainee wage arrangements apply to pre and post apprenticeship arrangements in trade related areas.
5. That loading arrangements for trainees undertaking Certificate IV qualifications remain in place, as provided for in the National Training Wage Award.
6. As an interim and transitional measure to achieve recommendation 1, the Australian Fair Pay Commission provide trainee wage rates in an instrument similar to the National Training Wage Award that allocates wage levels to training packages. Recommendations 2-5 also apply to this recommendation.

Wage Arrangements for Apprentices

Recommendations:

7. That one wage structure is employed industry wide.
8. That the wage structure has four levels of pay.
9. That apprentice wages remain proportional to tradesperson's wage rates.
10. That pay progression is based on the demonstration and application of an agreed set of skills.
11. That reference to time is not made in the wage structure.
12. When implementing such a structure, that the readiness of each industry to adopt the structure is considered.
13. That in the lead up to the submission on matters to the AFPC, ACCI discuss the breakdown of apprentice wage levels as proportions of the tradesperson wage and develop a position.

These recommendations are to be supplemented by text on:

- the need for ISCs to urgently allocate competencies to levels by groupings and to undertake this task responsibly under industry direction;
- the allocation of competencies to levels should recognise that some competencies underpin others, while other competencies can be gained in any sequence; and
- the progression from one level to the next requires the attainment and demonstration of an agreed number of competencies from an appropriate group including those recognised as underpinning competencies at the subsequent levels.

All the above is subject to the need for an adequately resourced national quality assurance arrangement that has employer confidence. The process should be:

- outcome based;
- take account of the contribution of off-the-job learning and the application of learning in the workplace; and
- should be undertaken at an industry level and owned by industry and individuals.

Part-time wage arrangements

School-based wage arrangements

Recommendations:

14. That part-time and school-based wage rates are simple to calculate.
15. That part-time and school-based wage structures are available industry wide.
16. That the part-time wage structure for apprentices is:

Appropriate full-time apprentice hourly rate x (125/100)

17. That the school-based wage structure for apprentices is:

Level 1 full-time apprentice hourly rate for appropriate level x (125/100)

18. That the part-time and school-based wage structure for trainees is as follows:

Appropriate full-time trainee hourly rate for on-the-job training x (125/100)

Adult arrangements

Recommendation:

19. That wage structures do not provide wages specifically for 'adult' trainees and/or apprentices.

Looking forward

Recommendation:

20. That wage structures do not impede the implementation of training reform.

ATTACHMENT D

PR966046: *National Building and Construction Industry Award 2000*

Please turn over the page.

AUSTRALIAN INDUSTRIAL RELATIONS COMMISSION

Workplace Relations Act 1996
s.108 reference to Full Bench

s.113 application for variation

Construction, Forestry, Mining and Energy Union
(C2004/279)

NATIONAL BUILDING AND CONSTRUCTION INDUSTRY AWARD 2000
(ODN C No. 02783 of 1994)
[AW790741 PR903751]

Building, metal and civil construction industries

VICE PRESIDENT ROSS
SENIOR DEPUTY PRESIDENT MARSH
COMMISSIONER HARRISON

MELBOURNE, 7 DECEMBER 2005

Wage rates for apprentices and trainees.

DIRECTIONS DECISION

[1] The Construction, Forestry, Mining and Energy Union (CFMEU) has made application to vary the National Building and Construction Industry Award 2000 in respect of wage rates for apprentices and trainees. That application has been referred to this Full Bench by the President pursuant to s.108 of the *Workplace Relations Act 1996* (the WR Act).

[2] The matter was listed for mention and directions before Senior Deputy President Marsh on 25 November 2005.

[3] In the proceedings, Mr S. Maxwell appeared for the Construction, Forestry, Mining and Energy Union; Mr R. Calver appeared for Master Builders Australia (Master Builders) and Employer First; Mr J. Higgins for the Civil Contractors Federation; Ms N. Street for the Australian Industry Group; and Ms J. Lee for the Australian Business Industrial. Mr I. Warren from the Building Industry Specialist Contractors Organisation of New South Wales appeared for the Master Painters Australia New South Wales Association and sought leave to intervene on behalf of respondent members of the Association of Wall and Ceiling Industries of New South Wales. Mr J. Stewart intervened on behalf of the Minister for Employment and Workplace Relations. Mr C. Harris appeared for the Victorian Employers Chamber of Commerce and Industry and with Ms S. Smith sought leave to intervene on behalf of Australian Chamber of Commerce and Industry. Other interveners included Ms A Matheson for the Housing Industry Association and Mr C. Harnath for the Master Plumbers and Mechanical Services Association of Australia.

[4] A number of objections to intervention were foreshadowed by the CFMEU. These will be dealt with in due course by the Full Bench.

[5] In summary the position of the parties is as follows:

- It was the CFMEU's position that the Government proposed Work Choices Bill has not yet been passed by both Houses of Parliament and the Commission should proceed with the case until that occurs. The CFMEU seeks a Full Bench decision under s.108(9) of the Act that a member of the Full Bench prepare a report which documents the parties respective positions on an award variations sought in the draft order circulated in September 2003. It was submitted that the report should be completed in the next three weeks and that after that time the Full Bench should sit to hear submissions.
- The Master Builders renewed its application for an adjournment of the matter as set out in a written submission dated 6 October 2005¹. The basis for the adjournment arose out of the way current training systems operate and the requirement for various state and territory legislative instruments to be amended before competency based classifications based on the relevant training package could be inserted into the award. The Commission should await the completion of a COAG report². The Master Builders is prepared to enter discussions over the wage rates which would attach to adult apprenticeships. Conciliation of other matters may be appropriate when the complexity of the competency based system to be rolled out throughout Australia is known. The Master Builders adopted the Commonwealth foreshadowed application for an adjournment on the basis that the passing of the new legislation is imminent.
- The other employer parties and interveners supported the submission raised by the Master Builders. A number of those organisations stressed the importance of finalising the COAG process and the total revamping of the apprenticeship system throughout Australia before the award is varied for competency based apprenticeships. They also gave express support to the Commonwealth's position.
- The Commonwealth Government submitted it had not adopted a position on the specific details of the CFMEU claim which it would do so after it had considered the CFMEU's case in support of its application. The Commonwealth argued that the Work Choices legislation is expected to commence in the first quarter of 2006. If the application is not decided before the new system commences any resources utilised by the parties and interveners in relation to conciliation of the case will be wasted. This is because the case will not be able to continue under the new system on the same basis as it commences under existing arrangements. In the case of employees who will be subject to the Fair Pay Commission, the Australian Industrial Relations Commission's jurisdiction ends when the new system commences. For transitional employees a substantially different case would have to be made out by the applicant.
- The Commonwealth proposed that this Full Bench adopt a similar approach to that of the Full Bench in dealing with the Safety Net Review 2006 applications, namely that the proceedings be adjourned for further mention until later this year or early in the new year. The Full Bench should only issue provisional directions which deal with the lodging of submissions and witness material by the CFMEU.

¹ Exhibit C1

² Council of Australian Governments Report

[6] The Full Bench has read the transcript and conferred on the procedure we should adopt in this matter. Having regard to all of the circumstances we have decided as follows:

- The issue of wage rates for adult apprentices will be referred to Harrison C for further conciliation. The CFMEU's reply submissions supported this approach³. The time and duration of that conciliation will be a matter for the Commissioner and the parties.
- In respect of the directions we should issue we propose to sit again to hear further submissions or directions once the Work Choices legislation has been passed. It is not appropriate that we issue any provisional directions at this time. Given the availability of the members of the bench the further hearing will take place in the new year.

Appearances:

S. Maxwell for the Construction, Forestry, Mining and Energy Union.

I. Warren for the Master Painters Australia New South Wales Association and the Association of Wall and Ceiling Industries of New South Wales (intervening).

J. Stewart for the Minister for Employment and Workplace Relations (intervening)

R. Calver for Master Builders Australia and Employer First.

J. Higgins for the Civil Contractors Federation.

N. Street for the Australian Industry Group.

A. Matheson for the Housing Industry Association (intervening).

J. Lee for the Australian Business Industrial.

C. Harris for the Victorian Employers Chamber of Commerce and Industry and Australian Chamber of Commerce and Industry with *S. Smith* (intervening).

C. Harnath for the Master Plumbers and Mechanical Services Association of Australia (intervening).

³ Transcript PN222.

Hearing details:

2005.

Sydney/Melbourne (by video-link):

November 25.

Decision Summary

Case procedures – directions – conditions of employment – award – variation of award – wage rates for apprentices and trainees – reference to Full Bench – s108 Workplace Relations Act 1996 – Full Bench – building, metal and civil construction industries – application by union for award variation for apprentices and trainees – union argued Work Choices Bill not passed therefore Commission should proceed – sought order that member of Full Bench be directed to prepare report documenting position of parties on award variation order circulated in September 2003 – Commonwealth applied for adjournment on basis passage of new Bill imminent – argued jurisdiction ends in case of employees covered by Fair Pay Commission and substantially different application would need to be made for transitional employees – further, proposed similar approach adopted to that in case of Safety Net Review namely proceedings adjourned until later in year or in new year – other parties also argued Commission should await completion of relevant government report – matter referred to Harrison C for further conciliation – time and duration matter for parties – Bench to sit again to hear further submissions or directions once Work Choices legislation passed – not appropriate to issue provisional directions.

National Building and Construction Industry Award 2000

C2004/279

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Ross VP

Marsh SDP

Melbourne

7 December 2005

Harrison C

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