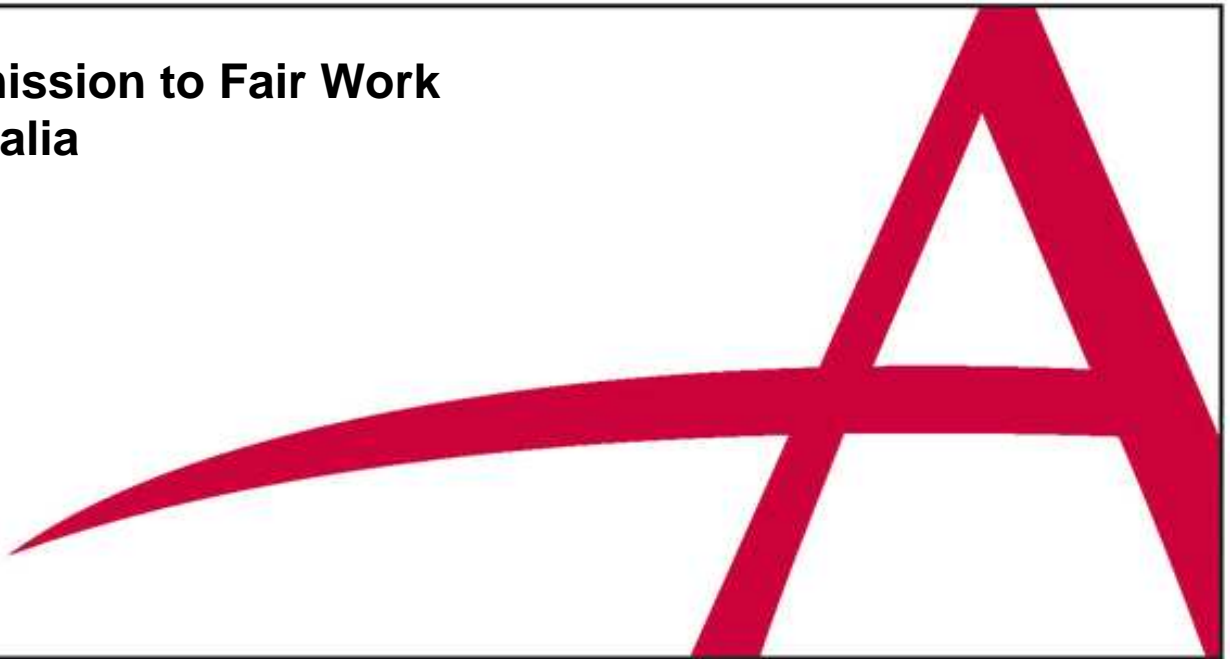


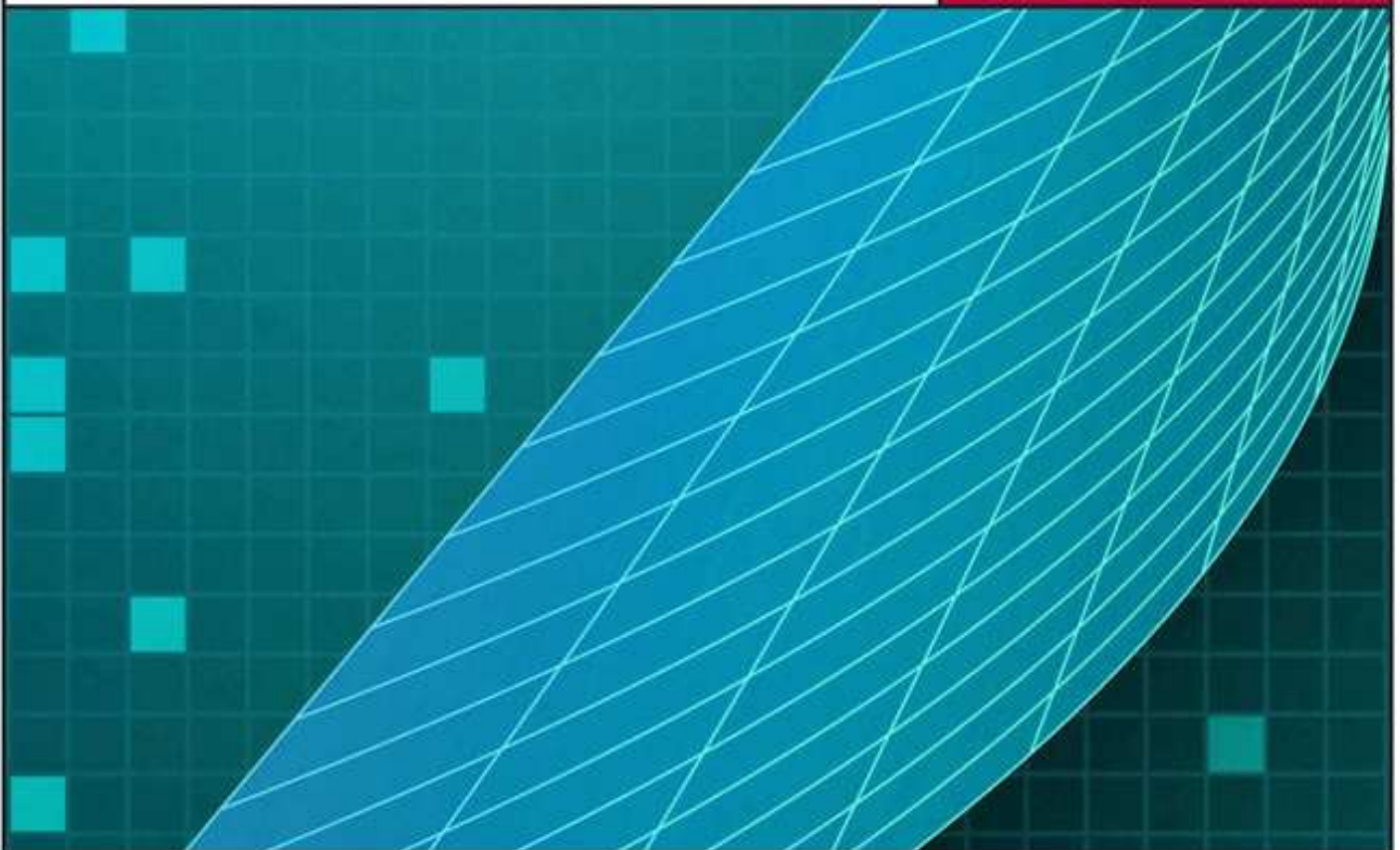
**Submission to Fair Work  
Australia**



**ANNUAL WAGE REVIEW 2010-11  
JUNIORS, APPRENTICES AND TRAINEES**

 **AUSTRALIAN INDUSTRY GROUP**

**16 September 2010**



# ANNUAL WAGE REVIEW 2010-11

## JUNIORS, APPRENTICES AND TRAINEES

### 1. Introduction

1. In a Statement of 17 June 2010, the President of Fair Work Australia (FWA) invited parties to submit proposals on:
  - The process to be adopted for setting special minimum wages for award/agreement free juniors and award/agreement free employees to whom training arrangements apply, in the Annual Wage Review 2010-11; and
  - Whether there should be a broad review of wages and conditions for apprentices and trainees and if so:
    - whether it should be joined with the review of minimum wages for award/agreement free juniors and employees to whom training arrangements apply; and
    - the scope of the review, who should conduct it, procedures and timing.
2. These issues are dealt with below.

- 2. Process to be adopted for setting special minimum wages for award/agreement free juniors and employees to whom training arrangements apply in the Annual Wage Review 2010-11**
3. Ai Group submits that the process to set special minimum wages for award/agreement free juniors and employees to whom training arrangements apply need not be overly complicated.
4. Given the requirement that such special minimum wages be set in the Annual Wage Review 2010-11, we propose that this exercise not be incorporated within a broad review of apprentice and trainee wages and conditions. To review the wage rates for apprentices and trainees in the 122 modern awards will require a great deal of time and resources and, we submit, it is unrealistic to attempt to carry out this review in conjunction with the Annual Wage Review 2010-11.
5. Special minimum wages set for award/agreement free employees to whom training arrangements apply are likely to have very limited application given that apprentices and trainees are typically employed in industries covered by modern awards. For this reason, if a broad review is carried out of apprentice and trainee wages and conditions, any special minimum wage which had been set for award/agreement free employees to whom training arrangements apply would be unlikely to be a major focus of the review.
6. We propose the following timeframe and process for setting special minimum wages for award/agreement free juniors and award/agreement free employees to whom training arrangements apply:

Friday 5 November 2010	Closing date for lodging written submissions
Friday 26 November 2010	Closing date for lodging written reply submissions
Week commencing 31 January 2011	FWA Consultations

7. If a broad review of apprentice and trainee wages and conditions is carried out, the special minimum wages set for award/agreement free employees to whom training arrangements apply could be reconsidered during that review. However, as stated above, we do not envisage that this would be a key focus of the review given the limited application of the special minimum wages.

### **3. Broad review of apprentice and trainee wages and conditions**

8. If the Tribunal decides that there is merit in the wages and conditions for apprentices and trainees in the 122 modern awards being the subject of a broad review, then Ai Group submits that:
- The review needs to be carried out over a realistic timeframe given the huge scope of such an exercise;
  - The review should not be commenced until after the following research projects have been completed:

- Research into the supply of and demand for apprentices, as identified in the Draft Research Program released by the Minimum Wage Panel on 31 August 2010;
  - The research currently being carried out by the Minimum Wages and Research Branch of FWA to provide an overview of modern award provisions, to canvass competency progression issues and to develop a demographic profile of apprentices; and
  - The research currently being carried out by the National Centre for Vocational Education Research Ltd on the impact of wages on apprenticeships and traineeships.
9. The complexity associated with reviewing wages and conditions for apprentices and trainees is highlighted by the process which led to the incorporation on new apprenticeship provisions in the *Metal, Engineering and Associated Industries Award 1998* in 2006. Following two years of constructive negotiations between Ai Group, the AMWU and the CEPU, and the arbitration of some unresolved issues by Senior Deputy President Marsh, the award was varied (PR968890) to implement new apprenticeship structures and wage rates. The new pay rates were based upon the level of schooling that an apprentice had completed at the time of commencing an apprenticeship and competency progression was emphasised, rather than the previous time-served approach.
10. If the Tribunal decides that there is merit in the modern award wages and conditions for apprentices and trainees being the subject of a broad review, Ai Group proposes that consideration be given to conducting the review in conjunction with the 2 Year review of modern awards provided for in Schedule 5, Item 6 of the *Fair Work (Transitional Provisions and Consequential Amendments) Act 2009*. This review is required to be conducted as soon as practicable after 1 January 2012.