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Australian apprentice minimum wages in the national system

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Minimum Wages and Research Branch—Fair Work Australia

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All research undertaken by or commissioned by Fair Work Australia for the Annual Wage Review 2010–11 has been agreed by the Research Group. The Research Group comprises a Chair from the Minimum Wages and Research Branch of Fair Work Australia, and representatives nominated by:

- Australian Chamber of Commerce and Industry (ACCI);
- Australian Industry Group (Ai Group);
- Australian Council of Social Services (ACOSS);
- Australian Council of Trade Unions (ACTU);
- Australian Government; and
- State and territory governments.

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<td>Competency-based training progression</td>
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<td>CBWP</td>
<td>Competency-based wage progression</td>
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<tr>
<td>CFMEU</td>
<td>Construction, Forestry, Mining and Energy Union</td>
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<td>COAG</td>
<td>Council of Australian Governments</td>
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<td>Commission</td>
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<td>CURF</td>
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<td>DEEWR</td>
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<tr>
<td>FW Act</td>
<td>Fair Work Act 2009 (Cth)</td>
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<td>Harvester Case</td>
<td>Ex Parte H.V. McKay (1907) 2 CAR 1</td>
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<td>Kirby Report</td>
<td>Report of the Committee of Inquiry into Labour Market Programs</td>
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<td>Ministerial Council for Tertiary Education and Employment</td>
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<td>NSW DET</td>
<td>New South Wales Department of Education and Training</td>
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NTW  National Training Wage
NTW Award 2000  National Training Wage Award 2000
NTW Award 1994  National Training Wage Award 1994
NTW schedule  National Training Wage schedule
Panel  Minimum Wage Panel of Fair Work Australia
QCU  Queensland Council of Unions
QDET  Queensland Department of Education and Training
Qld GDGE Order  Apprentices’ and Trainees’ Wages and Conditions (Queensland Government Department and Certain Government Entities) Order (Qld)
Qld Order  Apprentices’ and Trainees’ Wages and Conditions (Excluding Certain Queensland Government Entities) 2003 Order (Qld)
RPL  recognition of prior learning
RTO  Registered Training Organisation
SEW  Survey of Education and Work
Ship Joiners (Apprentices) Case  The Ship Joiners Society of Australia v Gilchrist, Watt and Sanderson (1956) 87 CAR 53
STA  State Training Authority
Tools Order  Order—Supply of Tools to Apprentices 1998 (Qld)
VET  Vocational Education and Training
Work Choices Act  Workplace Relations Amendment (Work Choices) Act 2005 (Cth)
WR Act  Workplace Relations Act 1996 (Cth)
Scope of this paper

Fair Work Australia’s Minimum Wages and Research Branch consults with a Minimum Wage Research Group and interested parties on research commissioned by or undertaken by the Branch.

The Research Group comprises a Chair from the Minimum Wages and Research Branch and representatives nominated by:

- Australian Chamber of Commerce and Industry (ACCI);
- Australian Industry Group (Ai Group);
- Australian Council of Social Service (ACOSS);
- Australian Council of Trade Unions (ACTU);
- Australian Government; and
- State and territory governments.

Since 2006, the Australian Government has defined ‘Australian Apprentices’ to be people undertaking an Australian Apprenticeship that ‘combine[s] training and employment [which] can lead to a nationally recognised qualification’. Australian Apprentices can encompass employees in a wide variety of occupations and training with differing qualifications from any accreditation. However, some analysis draws a distinction between a ‘traineeship’ (an arrangement that does not lead to a trade qualification) and a ‘traditional’ apprenticeship (an arrangement that results in a trade qualification).

This project principally provides an overview of modern award provisions and pre-modern arrangements in relation to ‘traditional’ apprentice wages (the latter giving an overview of the diversity of arrangements within industries across states and territories). The project will also review the historical development of traineeships and state regulation. A review of the data will examine the demographics of Australian apprenticeships disaggregated by traineeships and traditional apprenticeships.

The scope of the Australian apprentice minimum wages in the national system research paper is:

- an overview of modern award provisions in relation to wages:
  - including the diversity of arrangements within industries across pre-modern award arrangements, including across states and industries;
  - noting that in some cases there is consistency across tradesperson rates and variability across apprenticeship rates;
  - including provisions for early completion;
  - including provisions for accelerated commencement for completion of pre-apprenticeship programs (including recognition of prior learning (RPL)); and
  - availability of school-based apprenticeships;
• competency progression issues including:
  – who is required to determine the apprentice’s competency;
  – the process for signing off an apprenticeship prior to its nominal completion;
  – state arrangements/requirements for contract of training / training requirements and its interaction with the industrial instrument; and
  – qualitative research into the operation of competency-based progression in the state and territory jurisdictions and industries where competency-based progression exists (for example Queensland);
• diversity in apprenticeship duration;
• adult apprenticeship rates;
• characteristics of Australian apprentices including:
  – a demographic profile of apprentices (including, depending on data availability, education and employment/unemployment background, as well as sex, age and ethnicity).
Executive summary

Since 2006, the Australian Government has defined ‘Australian Apprentices’ to be people undertaking an Australian Apprenticeship that ‘combine[s] training and employment [which] ... can lead to a nationally recognised qualification’.1 ‘Australian Apprentices’ can encompass employees in a wide variety of occupations and training with differing qualifications from any accreditation. However, some analysis draws a distinction between a ‘traineeship’ (an arrangement that does not lead to a trade qualification) and a ‘traditional’ apprenticeship (an arrangement that results in a trade qualification).

This paper reviews the history and development of apprentice and trainee wages, investigates characteristics of apprentices and trainees, and examines minimum wage-setting arrangements for apprentices and trainees in the national, state and territory systems.

Part 1—Traditional apprentice minimum wages

Historical developments in wage-setting

Wage-setting for traditional apprentices in the federal jurisdiction has had a long industrial history, with apprentice wage matters being considered since federation. Since then, apprentice wages have undergone a number of changes in the way they are set, having regard to changing assumptions and perceptions of the characteristics of apprentices. The methods of affixing wages for apprentices wages also have undergone changes. At first being set as a percentage of the ‘basic wage’ rate, apprentice wages moved to being set as a percentage of the relevant trade rate.

Considerations that various federal industrial relations commissions and tribunals have taken into account in wage-setting for apprentices have changed over time. In the first half of the 20th century, assumptions were made focusing on the relatively young age and educational levels of apprentices. There were also considerations balancing setting apprentice wages at levels not too high to dissuade potential employers but not so low as to be exploitative of labourers. Towards the second half of 20th century, following policies aimed at attracting new types of apprentices, wages began to be a factor in the differing ages and types of apprenticeships such as adult, part-time and school-based. The balance between the cost to an employer and the financial needs of an apprentice, as well as the maintenance of skilled employment, still retained relevance for federal wage-setting bodies in decisions issued in the second half of the 20th century.

Before the expansion of coverage of the federal system through the Workplace Relations Amendment (Work Choices) Act 2005 (Cth) (Work Choices Act) in 2006, apprentice wages were mostly regulated by state (and some federal) awards, with wages increasing incrementally in recognition of increased skill and work value. After the introduction of the Workplace Relations Act 1996 (Cth) (WR Act), the Australian Fair Pay Commission (AFPC) was required to set ‘minimum wages for... employees to whom training arrangements apply’,2 which encompassed both trainees and apprentices. The AFPC had the power to set a special Federal Minimum Wage for apprentices,3 but this function was removed following legislative amendment in 2008.4

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2 Workplace Relations Act 1996 (Cth) s. 23(d).
3 Section 197 of the Workplace Relations Act 1996 (Cth) (which was later repealed by Workplace Relations Amendment (Transition to Forward with Fairness) Act 2008 (Cth) on 28 March 2008) allowed the AFPC to set special FMW’s for a number of classes of employees including employees to whom training arrangements apply. Section 198 allowed the AFPC to elect whether this special FMW would act as a benchmark for other APCS rates of pay.
4 Workplace Relations Amendment (Transition to Forward with Fairness) Act 2008 (Cth), item 2 of sch. 3 repealed former subsection 22(1) paragraphs (b), (c) and (d) of the former WR Act which had allowed the AFPC to undertake these functions.
Since 1 January 2010, the Minimum Wage Panel (the Panel) of Fair Work Australia has been empowered under the *Fair Work Act 2009* (Cth) (FW Act) to annually review minimum wages for employees to whom training arrangements apply (which include apprentices and trainees) in the national system. The Panel must also set a special national minimum wage for award/agreement-free employees to whom training arrangements apply. In the Panel’s Annual Wage Review 2009–10 decision, it decided to defer setting the special national minimum wage for employees to whom training arrangements apply until the Annual Wage Review 2010–11.

The FW Act has continued the approach of the WR Act in providing that state and territory legislation applying to ‘training arrangements’ continue to operate in conjunction with federal wage-setting arrangements. Each state and territory has legislation relating to apprentices, and apprenticeships are regulated through State Training Authorities. Accordingly, coverage and methods for setting apprentice wages has not been uniform across the federal jurisdiction, and apprentice wages can also vary across industries and occupations.

**Changes in apprentice demographics**

The paper details trends in apprentice demographics from 1999–2009. The paper finds that the number of apprentice commencements increased over most of the period from 1999–2009, however that these numbers fell in 2009. The number of apprentices completing training also increased over the period, although the number of attrition occurrences remained higher in each year. The attrition rate was also higher than the completion rate.

The majority of apprentices were male and employed full time, though the proportion of female and part-time apprentices increased over the period. Apprentices were more likely to be in the Construction trades workers or Automotive and engineering trades workers occupations in the Construction; Manufacturing or Other services industries. Apprentice commencements were most common among the ages of 16 to 18 years. Although the number of school-based apprentices were far fewer than non school-based apprentices, they increased over the period.

**Wages for apprentices in the national system**

The Panel is required, as part of each annual wage review, to review modern award minimum wages and must take into account a range of factors including ‘providing a comprehensive range of fair minimum wages to ... employees to whom training arrangements apply’.

There are 122 modern awards in the national system, 46 of which contain rates of pay and provisions for apprentices, typically expressed as a percentage of the tradesperson’s rate. Apprentice percentages and the amounts to which they are applied vary significantly between each modern award. Of the 46 modern awards that contain apprentice provisions, six contain generally more detailed provisions, 37 do not contain any provisions for early completion or competency-based wage progression (CBWP), while nine do. Three modern awards provide accelerated commencement and recognition of prior learning (RPL). Twenty-one modern awards provide for adult apprentices, and none provide specific (other than pro-rata) wages for part-time apprentices. Thirty-six modern awards contain the standard school-based apprentice clause and 26 mention state or territory legislation in relation to the regulation of apprenticeships. Forty-two modern awards provide for apprenticeships to run over four years, seven modern awards for three years, and three modern awards for two years.

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5 *Fair Work Act 2009* (Cth), s 294(1)(b)(ii).
6 *Fair Work Act 2009* (Cth), s 294(1)(b)(ii).
8 *Fair Work Act 2009* (Cth), s 27(2)(f). Note that s. 26 (1) outlines that the FW Act applies ‘to the exclusion of all state or territory laws so far as they would otherwise apply in relation to a national system employee or a national system employer’.
9 *Fair Work Act 2009* (Cth), s 284 (1)(e).
Though modern awards in the current national system have for the most part replaced the coverage of pre-modern award instruments, the diversity of pre-modern award arrangements still have relevance in the present national system. An analysis was conducted of 157 pre-modern awards across the top five occupations and metals industry, finding that a majority of the awards (59 per cent) included provisions and pay structures for apprentice workers and over a third of these provided specifically for adult apprentices either by containing a separate pay structure or setting a floor wage that would apply until apprentice rates exceeded that amount. The groups with the most awards containing apprentice provisions were the Foods trades workers occupation and Metal industry.

The most common rate of pay in pre-modern awards was the standard C10 trade rate in the Metal, Engineering and Associated Industries Award 1998 used by 57 per cent of surveyed awards to calculate apprentice rates of pay. Of the remaining 43 per cent of apprentice structures that did not use the standard pay rate, only a few used a base rate that departed from this by a significant amount. Some awards contained separate provisions for apprentices in separate states, with different applicable percentage scales for each state. The vast majority of apprenticeships under pre-modern awards were four years in duration, though in the Food trades sector apprenticeships can range from between two to 3½ years. The pre-modern award analysis indicates that the regulation of wages and apprenticeship progression varied across and within industries and occupations as the result of various factors including state and territory differentials and inter-jurisdictional coverage.

Of a total of 1557 modernisable award-based transitional instruments, 331 contain provisions for apprentices. Out of the 331, a majority (211 instruments) have corresponding modern awards which make specific provisions for apprentices.

**Competency-based wage and training progression for apprentices**

The paper notes that the Australian Government’s 2010–11 Budget Statement announced that the Australian Government would provide further funding to facilitate competency-based arrangements for apprenticeships.

Competency-based arrangements are addressed in two separate categories in the paper: CBWP arrangements and competency-based training progression (CBTP) arrangements. The former relates to wage arrangements which allow wage progression based on competencies attained through work and training and the latter relates to training progression as regulated by state and territory training arrangements. Fair Work Australia can regulate wage progression arrangements where they generally do not affect state and territory regulation of training arrangements.

The paper found that while CBTP arrangements are available through state and territory training legislation, CBWP is not available in all state and territories and depends on the industrial coverage of apprentices. The paper identified that the only clear instances in which CBWP arrangements have been clearly linked to CBTP outcomes are at the national level through their facilitation in some select modern awards in the national system and in Queensland where their industrial instruments have been preserved by the Fair Work (Transitional Provisions and Consequential Amendments) Regulations 2009 (Cth).

The paper also presents findings from qualitative research that investigated the operation of CBWP from the perspective of in-training apprentices and employers of apprentices in-training. The research primarily focused on the experiences of apprentices and employers of apprentices subject to CBWP arrangements, though it also included a comparative group of participants subject to time-served arrangements for the purpose of identifying differences and similarities in wage progression. The findings identify a range of wage-setting practices of employer and apprentice participants subject to CBWP arrangements; from commencement of employment, throughout apprenticeship employment and upon completion of training. The findings highlighted that the operation of CBWP—in particular how the attainment of training requirements (competency attainment measures) were used to facilitate accelerated progression—varied according to the level of cooperation and communication between the employer, apprentice and the Registered Training Organisation. The use of competency attainment measures contained in CBWP arrangements was greatly influenced by the individual
employer participant’s assessments of performance in the workplace. Similarly, their views of wage progression outcomes were largely shaped by assessments of performance in the workplace in terms of productivity measures and perceived value to the business. Apprentice participant views of wage progression were shaped by a range of issues outside of the specific wage progression experiences including their experiences with training and employment conditions more generally. It was difficult to establish how views on wage progression resulting from the competency based wage progression model were influenced by the wage progression model itself.

Part 2—Trainee minimum wages

Historical developments in wage-setting

The origins of the traineeship system has been relatively recent, dating from the introduction of the Australian Traineeship System (ATS) in 1985 by the Australian Government, which targeted school-age workers with an intent to fill the gap between short-term unrecognised training in the labour market and longer-term apprenticeships. This led to the creation of the National Training Wage Award 1994 (NTW Award 1994), which was to set the federal standard for wages for trainees. The NTW Award 1994 was consolidated in 2000.10 Over time, key variations were made to the NTW Award 1994 including to expand its access to higher certificate levels and a broader range of qualifications as well as introducing provisions for part-time and school-based traineeships, and a 20 per cent additional loading by agreement in lieu of sick leave, annual leave, personal leave and public holidays.

As a result of the amendments to the WR Act in 2006, the minimum wages in the NTW Award 2000 were removed from the award and preserved in an Australian Pay and Classification Scale (APCS).11 The NTW Award 2000 was subsequently re-drafted with amendments during the Australian Industrial Relations Commission (Commission) award modernisation process, though its basic principles remained the same.12 It was then attached as a schedule to most modern awards.13 This schedule differs from the NTW Award 2000 in various ways, including: providing a default wage rate pending the allocation of wage levels; increasing the loading of school-based trainees to 25 per cent; and regarding time spent by a trainee in attending training as time worked for the purposes of wage calculation and determining conditions of employment.

Changes in trainee demographics

In analysing trends in trainees over a period of 10 years to 2009, the paper found that the number of commencements increased between 1999 and 2003 before remaining relatively steady to 2009. These trends were evident when the data was disaggregated across different levels. The number of completions overtook the number of attrition occurrences in 2004 and this gap widened in the years to 2009.

Trainees were more commonly located in occupations such as Community and personal service workers; Sales workers; and Clerical and administrative workers. The industries in which trainees were more common included Accommodation; Retail trade; Health care and social assistance; and Manufacturing. Trainee commencements were highest in the age group 16 to 19 years. There were more female than male commencements across most of the period. While there were more full-time trainees, growth in part-time trainees was higher over the 10 years to 2009. Having secondary school education as a trainee’s previous highest education level was the most common, especially Year 12 and Year 10. The number and proportion of school-based trainees increased over the 10 years to 2009.

10 National Training Wage Award 2000 (AP790899CAN) [Fed].
11 Workplace Relations Act 1996 (Cth), s. 208.
 NTW schedule and wage-setting issues

In looking at the availability of training wages for trainees in the national system, an analysis of modern awards found that of 100 modern awards that attach the NTW schedule, 23 modern awards have the NTW schedule attached, but provide separate trainee wage rates for specific trainee classifications, while six modern awards do not have the NTW schedule attached, but have trainee wage rates for specific trainee classifications.

The paper also found that some trainees who are trained under state developed qualifications may not have coverage under the NTW schedule. The analysis also highlighted the submissions of some parties who noted that there may be some modern awards that provide coverage to trainees but do not provide training wages under these awards (as they do not attach the NTW schedule or do not provide trainee-specific wages).

The paper also identified an issue with changing internal relativities in the NTW schedule due to the adjustment method applied to the NTW Award 1994 (and its subsequent iterations in different wage instruments).

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Part 1—Apprentice minimum wages

1 Apprentice minimum wages in the national system

The Australian Government defines an ‘Australian Apprentice’ as a person undertaking an Australian Apprenticeship. An Australian Apprenticeship is a contract of training that ‘combine[s] training and employment [which] can lead to a nationally recognised qualification.’ This definition means that ‘Australian Apprentices’ can encompass employees in a wide variety of occupations and training in trades and other vocational areas. Prior to 1998, however, ‘apprentice’ and ‘trainee’ were separately defined categories of worker and this was reflected in differing wage-setting arrangements. Despite the current merged definition of ‘Australian Apprentice’, the distinction between a ‘traditional’ apprentice (i.e. those in a trades-based occupation) and a trainee continues to be reflected in wage-setting.

This chapter looks at the history and development of, and issues related to, apprentice wages (as they related to ‘trades’) in the federal jurisdiction as well as their regulation under the current national system. An extended discussion of a contemporary definition of an ‘apprentice’ for research purposes is reviewed later in Chapter 2. An extended discussion about trainee definitions (i.e. those not in a trades-based occupation) and history can be found in Part 2—Trainee minimum wages.

1.1 History and development of apprentice minimum wages

Apprenticeships have a long established history in pre and post Federation Australia. The development of apprenticeships since this time has been covered in a number of publications.

This section focuses on the development of wages and wage-setting for apprentices under the Australian federal system.

1.1.1 Early regulation of apprentice minimum wages in Australia

Apprentice wages were first set in the federal jurisdiction as monetary amounts by Justice Higgins in Ex Parte H.V. McKay (1907) (Harvester Case). When setting ‘fair and reasonable’ minimum wages, His Honour stated ‘I have taken my scale for apprentices (bound apprentices) from the determination of the Wages Board for Ironmoulders.’ The rates of pay for apprentices varied from 8 shillings (s) per week for a first year through to 36s per week for a seventh year, with the rate for a fully qualified tradesperson (a ‘Journeyman’) at that time starting at 7s and 6 pence (d) per day. Rates for juniors, defined as ‘Boys (not apprenticed)’ in the decision, were 2s per day for a worker aged under 15 and up to 6s per day for a worker aged 20 to 21.
Group Training Australia (GTA), in a general submission during the priority stage regarding apprentice pay rates in modern awards to the Commission on 29 July 2008, commented that ‘[w]hilst there is no explanation as to the basis for the calculation of the apprentice rates [in the Harvester Case] they appear to be closely linked with the junior rates (i.e. those for “boys”) starting slightly lower than the rates for “boys” under 15 and 16 but gradually rising to be slightly higher from half way through the apprenticeship.’

Justice Higgins expanded on the factors affecting apprentice wage rates in *Amalgamated Society of Engineers v Adelaide Steam-Ship Co. Ltd. and Others* (1921). Increasing the set apprentice rate that applied to all the apprenticeship types within the workplace, His Honour established the following fundamental factors for consideration when setting apprentice wages:

- Discouraging the alternative employment of improvers within industry by doing ‘nothing to encourage the deadly system of “improvers”’;
- A community responsibility to ensure an ‘ample succession of competent tradesmen’;
- Making apprentice wages attractive enough to act as a disincentive to parents placing their children in higher paying labouring work; and
- Ensuring that conditions for apprentices were not ‘so stiff as to make it unprofitable for employers to take apprentices.’

The following passage from the judgment in the *Amalgamated Society of Engineers v Adelaide Steam-Ship Co. Ltd. and Others* (1921) highlights the importance His Honour placed upon ensuring that pursuing a trade was a viable option for young workers:

> I propose to prescribe wages for apprentices such as will enable poor parents to give their boys a place in these crafts, without tempting them to put the lads when they leave school into some “dead-end” labouring occupation. I find in several successive South Australian and other determinations and awards that the wages for “improvers,” to whom the employers are not bound to teach a trade, are substantially higher than for apprentices, in the earlier years. This system tends to induce impecunious parents to sacrifice their boys’ careers for the sake of a little more ready money. Instead of the 30s. per week claimed for the 1st year, I prescribe 17s. 6d.; but for the last year the full rate claimed, 70s. I should like to be in a position to make it something higher in the last year, for obvious reasons.

His Honour stressed that rates of pay for apprentices must be set to ensure the continued employment of apprentices in the trades and that skill levels are maintained otherwise ‘industry will suffer more than ever from the insufficient supply of fully trained men.’ His Honour also disapproved of the class of unbound apprentices.

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24 *Amalgamated Society of Engineers v Adelaide Steam-Ship Co. Ltd. and Others* (1921) 15 CAR 297, pp. 325–328.
26 Note: ‘Improvers’ were employees who were not taught a trade, were less skilled than an apprentice would eventually become and generally received higher wages than an apprentice in training would receive.
27 *Amalgamated Society of Engineers v Adelaide Steam-Ship Co. Ltd. and Others* (1921) 15 CAR 297, p. 325.
28 *Amalgamated Society of Engineers v Adelaide Steam-Ship Co. Ltd. and Others* (1921) 15 CAR 297, p. 325.
29 *Amalgamated Society of Engineers v Adelaide Steam-Ship Co. Ltd. and Others* (1921) 15 CAR 297, p. 326.
30 *Amalgamated Society of Engineers v Adelaide Steam-Ship Co. Ltd. and Others* (1921) 15 CAR 297, p. 326.
31 *Amalgamated Society of Engineers v Adelaide Steam-Ship Co. Ltd. and Others* (1921) 15 CAR 297, p. 326.
32 *Amalgamated Society of Engineers v Adelaide Steam-Ship Co. Ltd. and Others* (1921) 15 CAR 297, p. 326.
33 Note: At this time, for wage-setting purposes, a distinction was drawn between ‘bound’ and ‘unbound’ apprentices with unbound apprentices described as having ‘... neither constancy of employment nor systematic training’ and described that ‘... these lads are discharged if the employer does not want them at the end of the busy season’ (see p.16). They were further distinguished between bound apprentices in the wage levels set in the Harvester Case.
which he described in the Harvester Case as ‘another fruitful seed-ground for incompetent artisans.’ Justice Higgins also stated that the practice of employing improvers as way of cheap labour must be eradicated as they were a ‘menace to industrial order as well as a hindrance to industrial efficiency’ adding that he was unimpressed with the lack of certainty in employment and regular training afforded to this class of employee stating ‘if my Excise Standard should have the incidental effect of securing proper indentures for these lads I shall not regret it.’

GTA recently argued in their general submission to the Commission’s Award Modernisation Full Bench during the priority stage that the factors set out by Justice Higgins in setting higher wages for apprentices than for unskilled juniors remains relevant to workers contemplating a trade qualification with the attraction of higher paid unskilled employment.

1.1.2 Rationale for increasing apprentice rates by progression through apprenticeship

Early jurisprudence concerning the development of apprentice wage structures continues to underpin present wage-setting structures for apprentices. That is, that wages were set throughout the course of an apprenticeship on a gradually increasing scale as a reflection of the increased skill of the apprentice and the subsequent increase in value the employer gets from the apprentice.

GTA submitted that this system reflects acceptance of the lower skill level at the start of an apprenticeship and that it is not until the third year of an apprenticeship that an employer makes gains from their employment. This issue is discussed in the Australian Conciliation and Arbitration Commission case of The Ship Joiners Society of Australia v Gilchrist, Watt and Sanderson (1956) (Ship Joiners (Apprentices) Case). In that case, Commissioner Tonkin cited witness evidence stating that after two years an apprentice’s ‘skill increases progressively to a degree that they become more and more of economic value to their employers.’ Commissioner Tonkin later accepted this evidence stating that ‘[a]n apprentice in his fourth year has derived a considerable degree of skill and is of value to his employer.’

Recent research undertaken by Nechvoglod, L., Karmel, T and Saunders, J explored the costs of training apprentices for employers. The research concluded that the cost of supervision rather than wages was the largest cost to the employer in employing apprentices:

Despite the small number of case studies, the findings are consistent and show the main cost to employers to be in the supervision of the apprentice. The effects of government incentives are generally minimal. When apprentice productivity is measured against the wage paid to the apprentice, the relationship is shown to be very close. This results in employers’ costs for wages effectively being neutralised by apprentice productivity. Thus supervision remains the highest cost for employers.

34 Ex Parte H.V. McKay (1907) 2 CAR 1, p. 16.
35 Ex Parte H.V. McKay (1907) 2 CAR 1, p. 14.
36 Ex Parte H.V. McKay (1907) 2 CAR 1, p. 16.
38 Group Training Australia, Submission to the Australian Industrial Relations Commission–Award Modernisation, General Submission in Award Modernisation—Priority Stage, AM2008/2–12, July 2008, p. 12.
1.1.3 Early assumptions on apprentice characteristics

As discussed, early cases indicated that the age of the apprentice was considered an important factor in the setting of apprentice wages. Ray states that wage determinations for apprentices, up until at least the 1950s, reflected the fact that during this time most apprentices were 'juniors', aged between 15 and 19 years. According to Ray, the wage-setting principles that applied to juniors also applied to apprentices. Ray explains how these wage-setting principles applied to juniors as follows:

- Needs
  
  The basic wage embodied the 'needs principle' (a humanitarian living wage based on the needs of an average worker with three children). However, juniors such as apprentices were assumed to have lower needs than adult males as they did not have to support a family.

- Work value
  
  Juniors were generally regarded as having a lower work value than adults because of lower maturity and experience reflected in lower levels of skill and knowledge.

- Allocative principle
  
  This principle took account of the way that wages affect the supply and demand for labour both quantitatively and qualitatively. It was often expressed in awards as a prohibition on the employment of juniors except under an apprenticeship. It took account of the need to protect adult jobs and the need to prevent exploitation of cheap labour.

- Capacity to pay
  
  This principle applied only in times of economic uncertainty and only indirectly to apprentices to the extent that their wages were a proportion of an adult wage.

1.1.4 Summary of historical factors affecting the setting of apprentice wage structures

The historical factors that have contributed to setting apprentice wages can be summarised as:

- the need for apprentice wages to be both attractive enough to encourage apprentices, but not so high as to dissuade employers. This includes considering the need to facilitate adequate supplies of skilled workers and avoid the practice of exploiting cheap labour;

- that the increasing scale of apprentice wages over time is a reflection of apprentice skill level and value to employer; and

- the presumption that apprentices are juniors.

New forms of apprenticeships introduced in the late 1990s, such as school-based apprenticeships and adult apprenticeships, as well as more recent decisions of the Commission regarding apprentice rates, have provided a move away from previous wage-setting principles. These are considered in more detail below.

47 AIRC, Application to vary Metal, Engineering and Associated Industries Award 1998, Decision PR968890. (21 February 2006).
1.1.5 Development of apprentice minimum wages before and after the Workplace Relations Amendment (WorkChoices) Act 2005 (Cth)

Before the expansion of coverage of the federal system through the Work Choices Act in 2006, minimum wages for apprentice wages were regulated by state and federal awards. Apprentice wages were generally provided for as a percentage of the trade rate from the relevant award for each stage of the apprenticeship. Awards that did not express apprentice wages as a percentage of the adult trade rate provided a flat monetary amount.

During the first half of the 20th century, federal awards provided apprentice rates as a monetary amount derived from a percentage of the basic wage for adult males. Setting apprentice wages as a percentage of the applicable trade rate in the majority of awards was gradually introduced at the federal level through decisions of the Commonwealth Court of Conciliation and Arbitration and the Commonwealth Conciliation and Arbitration Commission during the 1950s and 1960s.

Arguments for the introduction of the percentage system were accepted by the Commonwealth Conciliation and Arbitration Commission in the Ship Joiners (Apprentices) Case. In this case, the Ship Joiners Society of Australia argued that apprentice rates should represent a percentage of the tradespersons total wage (as opposed to a percentage of the ‘basic’ wage which most apprentice before this case had been affixed to). Commissioner Tonkin accepted the argument, outlining his reasons as follows:

In my opinion, the sole purpose of expressing the rate of an apprentice as a percentage of the tradesman’s total wage, that is, basic wage plus a margin, is to ensure he will automatically receive a percentage of such increase so as to keep his total wage on the same percentage basis to that of the tradesman’s total wage, which he enjoyed before the increase in the tradesman’s margin was granted.

The decision of Commissioner Tonkin was followed in 1965 when the Metal Trades Award 1952 was varied to provide apprentice wage rates as a percentage of the ordinary weekly rate prescribed in the award for an adult fitter employed in the same area. In the same year, the Vehicle Industry Award 1953 was varied to provide apprentice wages as a percentage of the weekly rate for a bodymaker first class and The Shipwrights (Shore) Award 1961 was varied so apprentice rates were a percentage of the ordinary weekly wage of the adult shipwright rate (to reflect those in the Metal Trades Award 1952 (for a five-year apprentice) at that time).

The application of the percentage system to trades rates for apprentices in federal awards was further extended after the decision of the Commonwealth Conciliation and Arbitration Commission in 1967 to abandon the basic wage. The basic wage, which had been the central feature of wage determinations of the Commonwealth Conciliation and Arbitration Commission and Commonwealth Court of Conciliation and Arbitration for the previous 60 years, was replaced by the ‘total wage’ concept (basic wage plus loadings and margins) as the

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51 Metal Trades Award (1952) 73 CAR 324, p. 431.
basis of future wage adjustments in all federal awards. The result of this decision was that the basic wage no longer existed as a basis for awards that still used it to determine apprentice rates. Consequently, the majority of federal awards were then varied to provide apprentice wages as percentage of the relative tradespersons rate, albeit with differing percentage amounts. This system was largely reflected in the state jurisdictions and continued until the changes brought about by the Work Choices Act.

After the commencement of the Work Choices Act, the federal industrial relations jurisdiction expanded to cover additional employers and employees previously covered by the state jurisdictions through the use of the corporations power (section 51(xx) of the Constitution). The Act made a number of changes to wage arrangements for federally covered employees (including apprentices), notionally removing minimum wage rates and casual loadings from both state and federal awards and preserving them in new wage instruments, APCSs. Awards were preserved (without wages) as pre-reform federal awards and notional agreements preserving State awards (NAPSS).

From 2006 to 2009, the AFPC was empowered under the WR Act to adjust wage rates in APCSs. As part of its wage-setting function, the AFPC was required to ‘promote the economic prosperity of the people of Australia’ having regard to a number of considerations including ‘providing minimum wages for... employees to whom training arrangements apply... to ensure those employees are competitive in the labour market’. ‘Employees to whom training arrangement apply’ encompassed both trainees and apprentices. The WR Act exempted the standard Federal Minimum Wage from applying to apprentices, however, the AFPC did have the power to set a special Federal Minimum Wage for apprentices which could be set as a benchmark for all apprentice wages.

Subsection 211(1) of the WR Act required basic wage rates in preserved APCSs to be expressed as monetary amounts per hour. During the AFPC’s 2006 wage-setting review, the Australian Government proposed that apprentice rates no longer be expressed as a percentage of the trade rate. This interpretation was contested given that s.181 of the WR Act provided for an APCS to include a ‘method’ for determination of a basic rate of pay. Under the percentage system method, when the trade rate is increased, apprentices automatically receive an increase to their rate of pay, maintaining the relativity of apprentice rates to the trade rate over time.

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63 Workplace Relations Act 1996 (Cth), s. 6(1)(a).
64 APCSs set provisions relating to pay and loadings for particular employees and could be either a preserved APCS or a new APCS (s.201 and s.202 WR Act). All preserved APCSs were taken to have been made on the day on which the reform commencement occurred (Workplace Relations Act 1996 (Cth) s.205(3)).
65 For 2009 the 2008 rates applied.
66 Workplace Relations Act 1996 (Cth), s.216.
67 Workplace Relations Act 1996 (Cth), s.23(d).
68 Workplace Relations Act 1996 (Cth), s.194.
69 Section 197 of the Workplace Relations Act 1996 (Cth) (which was later repealed by Workplace Relations Amendment (Transition to Forward with Fairness) Act 2008 (Cth) on 28 March 2008) allowed the AFPC to set special FMWs for a number of classes of employees including employees to whom training arrangements apply. Section 198 allowed the AFPC to elect whether this special FMW would act as a benchmark for other APCS rates of pay.
71 Section 181(2). The means by which such provisions may determine a basic periodic rate of pay, or a basic piece rate of pay, include the following, or any combination of any of the following: (a) direct specification of a rate; (b) identification of a rate by reference to other provisions (whether or not of the same instrument or APCS); (c) direct specification, or identification by reference to other provisions (whether or not of the same instrument or APCS), of a method for calculating a rate.
The AFPC in 2006 and subsequently in 2007 and 2008 preserved pre-existing tradesperson/apprentice wage relativities and adjusted apprentice wages as follows:

The general pay increase will be pro-rated on the basis of formulas applying in the relevant pre-reform wage instruments so as to maintain the relativity of the basic periodic rates of pay for apprentices with the relevant tradesperson rate. Formulas, where available, will be used to adjust basic periodic rates of pay for full and part-time apprentices, and school-based apprentices (noting that the Pay Scale derived from repealed s.552 of the WR Act retains a formula suitable for flowing on the general minimum wage increase). Where apprentice rates are derived from a specific rate in another Pay Scale, they will be adjusted to reflect the parent rate on which they are based, where the parent rates have been adjusted to give effect to the general decision.74

In relation to setting a special Federal Minimum Wage for apprentices the AFPC stated that:

Given the complexity of the issues with some divergent views amongst those that would be affected by change, the Commission has decided that establishing new Pay Scales at this stage would be premature and may have unforeseen consequences. Therefore the Commission will initiate a wage review in 2007 of Pay Scales for employees to whom training arrangements apply to inform itself more fully about these issues.75

A review of junior and training wages commenced in 2007 by the AFPC, but ceased later that year upon the request of the government to avoid any overlap and/or duplication with the award modernisation process.76 The introduction of the Workplace Relations Amendment (Transition to Forward with Fairness) Act 2008 (Cth) also altered the functions of the AFPC so it was no longer able to set a special Federal Minimum Wage for employees to whom training wages apply or juniors, or create any new APCs or rationalise any existing APCs.77

In March 2008, in accordance with a request from the Minister under Part 10A of the WR Act, as amended, the Commission began the process of modernising pre-reform awards and NAPSAs into modern industry and occupation awards. Clause 25 of the Minister’s amended request stated that in relation to minimum wages, modern awards should aim to provide a comprehensive range of fair minimum wages for all employees, including employees to whom training arrangements apply.78

The award modernisation Full Bench of the Commission indicated that they would make modern awards primarily on broad industry lines, using the principal federal award and taking into account other non-enterprise federal awards in the same industry.79 Thus, the Commission developed apprentice wage structures largely based on those appearing in pre-reform awards and NAPSAs.80 As these wage structures were developed on an industry basis there existed a wide variety of percentage rates and structures. The Full Bench of the Commission noted this issue when it stated:

The relevant instruments fix percentages of the adult wage for juniors and apprentices based on a host of historical and industrial considerations, most of which can only be guessed at… We have adopted the limited objective of developing new rates which constitute a fair safety net for each of the modern awards based on the terms of the relevant predecessor awards and NAPSAs. We have attempted to strike a balance as between, in some cases, wildly varying provisions… In the case of apprentices the rates will generally be expressed as a percentage of the relevant trade rate.81

74 AFPC, Wage-Setting Decision and Reasons for Decision, Commonwealth of Australia, October 2006, p. 109
75 AFPC, Wage-Setting Decision and Reasons for Decision, Commonwealth of Australia, October 2006, p. 109
76 AFPC, Wage-Setting Decision and Reasons for Decision, Commonwealth of Australia, July 2008, p. 72
77 Workplace Relations Amendment (Transition to Forward with Fairness) Act 2008 (Cth), item 2 of sch.3 repealed former subsection 22(1) paragraphs (b), (c) and (d) of the former WR Act which had allowed the AFPC to undertake these functions.
78 See Request under section 576C(1)—Award Modernisation Amended Consolidated Version 16 June 2008.
79 AIRC, Award Modernisation Decision, AM2008/1, [2008] AIRCFB 387 (29 April 2008) paras. 6–11.
The Commission acknowledged submissions calling for a greater review of apprentice wages, however it decided that the award modernisation process did not present the best mechanism to achieve this.\(^8^2\) In regard to this the Commission stated:

The diversity in apprentice rates is indicative of broader issues which need to be addressed, in relation to apprentice and other training arrangements across the country. We do not think that the award modernisation process provides a proper opportunity to address those issues. In reaching that conclusion, we have had regard to submissions of training organisations which advocate a fuller review of apprentice wages.\(^8^3\)

In a later decision, the Commission acknowledged the desirability of a unified national system of training and employment conditions for apprentices, however suggested that this could be dealt with later by Fair Work Australia.\(^8^4\)

**1.1.5.1 Apprentice rates in the Miscellaneous Award 2010**

Though the Award Modernisation Full Bench generally adopted an industry by industry approach, the creation of the Miscellaneous Award 2010 is an exception. This is because, as required by the Minister’s request, the award was required to cover ‘employees who are not covered by another modern award and who perform work of a similar nature to that which has historically been regulated by awards (including state awards).’\(^8^5\)

For the Miscellaneous Award 2010, the Full Bench included apprentice rates of pay as a percentage of the standard rate being the minimum adult weekly wage for a Level 3\(^8^6\) employee.\(^8^7\) In setting this rate, the Full Bench outlined that minimum wages in the Miscellaneous Award 2010 were ‘set having regard to minimum wages for lower skill, trades and graduate employees in other relevant modern awards.’\(^8^8\) There is no provision for an adult apprentice rate.

Analysis undertaken by the Minimum Wages and Research Branch of Fair Work Australia shows that the rates in the Miscellaneous Award 2010 are consistent with those in the Hospitality Industry (General) Award 2010 for a cooking apprentice and the Restaurant Industry Award 2010. This is true of both the apprentice rates (which are expressed as percentages), and the ‘tradesperson’s’ rate upon which the percentages are based.

In the Full Bench decision which established the final draft of the Miscellaneous Award 2010, the Full Bench noted the nature of conditions and entitlements in the Miscellaneous Award 2010:

…we do not think the award should contain a comprehensive safety net designed for any particular occupation or industry. Rather it should contain basic conditions only, leaving room for the application of an appropriate safety net in another modern award in due course.\(^8^9\)

The Australian Government submitted that the model part-time apprentice clause adopted by the Commission in 2000 be inserted into the Miscellaneous Award 2010.\(^9^0\) The Full Bench decided not to insert the model clause, suggesting that in their view the ‘substantive provisions do not significantly alter the part-time provisions in the award or the model school-based apprentices provisions in Schedule D to the award.’\(^9^1\)

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\(^8^5\) See paragraph 4A of the Minister’s Consolidated Request.

\(^8^6\) Schedule B of the Miscellaneous Award 2010 (MA000104) [Fed] states that Level 3 requires a “trade qualification or equivalent.”

\(^8^7\) See Miscellaneous Award 2010 (MA000104) [Fed] cl.14.2.


1.1.6 The emergence of new types of apprentices and wage-setting

In the second half of the 20th century, new types of apprenticeships began to emerge largely in response to changes in various government policies aimed at expanding options for more workers to undertake training and work leading to greater numbers of skilled Australian workers. These apprenticeships raised new issues for wage-setting at the federal level.

1.1.6.1 Wage-setting for adult apprentices

Moves to open apprenticeships to adults began after World War II.\(^{92}\) Around this time, the Commonwealth Reconstruction and Training Scheme (CRTS) was introduced as a way of providing training for servicemen and servicewomen returning from the war.\(^ {93}\) The CRTS provided ‘fast-track’ vocational training and according to Ray, the CRTS demonstrated that adults could be trained for a trade in less time than juniors.\(^ {94}\) Later, in 1959, a report titled ‘Training for industry’ by the Australian Industries Development Association made a recommendation that apprenticeships be available for adults as well as ‘young people aged 15 to 16’.\(^ {95}\)

To be eligible for adult apprentice rates of pay, an apprentice is usually required to be aged 21 years or older at the time they commenced their apprenticeship.\(^ {96}\) Though it varies across awards, adult apprenticeship wages are generally higher than those for junior apprentices through either a higher percentage of the tradesperson’s rate for each year of the apprenticeship or as flat monetary amount for the length of the apprenticeship. In the latter case modern awards state that junior apprentice rates will apply to adult apprentices unless another rate (usually the lowest adult rate in the award) is higher than the applicable junior apprentice rate for the relevant stage. If no adult apprentice rate is provided, the normal apprentice rate applies regardless of age.

Two cases before the Commission in the late 1990s gave detailed attention to adult apprentice rates, specifically with the application of the ‘federal minimum wage’\(^ {97}\) to adult apprentice rates. In 1997 the Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union (AMWU) applied to vary the Metal Industry Award 1984—Part I to give effect to the Safety Net Review—Wages April 1997.\(^ {98}\) Opposition from employer groups was raised to the application due the economic impact the increase would have on adult apprentice rates.\(^ {99}\) Through conciliation, it was agreed by the parties to base the adult apprentice wage structure on skill, training and experience using previously determined relativities found in the NTW Award 1994 and the Metal Industry Award 1984—Part I. Senior Deputy President Marsh varied the adult apprentice wage structure to provide a first-year rate set as NTW Award 1994 ‘Level B’ exit rate and the second-year rate set at the then ‘federal minimum wage’.\(^ {100}\)

\(^{93}\) Note: The CRTS was introduced in 1944. See National Archives of Australia, ‘Fact Sheet 179—CRTS applicants and trainees’, National Archives of Australia, Canberra, 2010, p. 1.
\(^{96}\) See for example Metal, Engineering and Associated Industries Award 1998 (AF789529CRV) [Fed] cl.1.4.1.
\(^{97}\) The term ‘federal minimum wage’ is used by the Commission in a pre-Work Choices context. Prior to the introduction of the Work Choices Act, a single Federal Minimum Wage that provided a minimum adult rate that no Australian Pay and Classification Scale (previously award rates of pay) could fall below was only in operation during the period of the Work Choices Act. Prior to the Work Choices Act the Commission referred to the C14 wage rate in the Metals Industry Award 1984 as the federal minimum wage however it did not provide a minimum adult rate for all awards. Currently, under the FW Act the National Minimum Wage (NMW) does not provide a minimum adult rate for modern awards.
\(^{98}\) AIRC, Application to vary Metal Industry Award 1984—Part I, M0039 Dec 921/97 S Print P3701 (5 August 1997).
In 1998 the AMWU applied to vary the Vehicle Industry—Repair, Services and Retail Award 1983 and the Vehicle Industry Award 1982 to reflect the then ‘federal minimum wage’ set by the Safety Net Review Wages 1998 Decision.101 The variation sought to increase the first-year minimum wage rate for adult apprentices from $272.20 per week to the then ‘federal minimum wage’ amount of $373.40 per week.102 The application also sought to provide an adult apprenticeship wage structure with relativities and rates throughout the classification structure being based on skill levels consistent with the Metal Industry Award 1984—Part I.103 The application sought for the fourth-year rate to scale up to $433.50 per week.104 Employer groups opposed the application for economic reasons.105 The significant difference between this application and the previous applications to vary the Metal Industry Award 1984—Part I was that the then ‘federal minimum wage’ would apply from the first year of the apprenticeship and not the second year.

The Commission decided, subject to phasing-in arrangements, to ‘adopt rates for adult apprentices covered by these awards which incorporate within the structure the federal minimum wage and which are based on properly fixed internal and external relativities having regard to relative skill levels.’106 The Commission decided not to adopt the rates sought by the union and instead directed ‘the parties to confer on the appropriate rates and relativities’ for adult apprentices with particular attention to the first-year entry point rate and the fourth-year rate.107

Following this decision, the parties failed to reach agreement on the appropriate classification structure to apply to adult apprentices and the Commission was required to arbitrate the matter.108 The Commission rejected the AMWU’s proposals that the adult apprentice rates should be fixed at the rates for Levels 1, 2, 3 and 4 in the awards, citing that no detailed material was presented from which a thorough work value assessment could be made.109 The Commission stated that to accept the union proposal ‘implies that the work value of the adult apprentice position at each level equates to the work value of those skill levels.’110 Instead, the Commission adopted the adult apprentice wage structure from the Metal Industry Award 1984—Part I stating that ‘the structure in the metals award is preferred because it provides for differentiation in rates at each level’111 and that the then ‘federal minimum wage’ should be equated with the second year of the apprenticeship as there was ‘no good reason to fix rates which differ from those in the metals award.’112

Despite these cases, the introduction of adult apprentice wages across state and territory jurisdictions is not consistent. At the commencement of the award modernisation process, only a limited number of APCSS derived from pre-reform awards and NAPSAs provided specific rates of pay for adult apprentices.113 This is further discussed in Chapter 3.

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104 AIRC, Application to vary Vehicle Industry—Repair, Services and Retail Award 1983, Dec 1202/98 M Print Q6779. (25 September 1998), p. 3. ‘The applications seek to have the federal minimum wage clause inserted into each of the awards together with subclause 14A(d)(i) which constitutes the following scale of rates for adult apprentices: Year 1 $373.40; Year 2 $391.10; Year 3 $412.60; Year 4 $433.50 then $465.20.’
113 See Chapter 3 of this paper which details pre-national system arrangements. See also Appendix 5—Comparative schedules from award modernisation, Appendix 4—Overview of industries and apprentice wages against key criteria and Appendix 6—Top 5 occupations and 1 industry.
The time-series data in Chapter 2 for apprentices (see specifically Chart 2.21) shows an increase of adult apprentice commencements, particularly from 2006 to 2009, although the analysis shows that apprentices mostly remain aged 20 years and under.

1.1.6.2 Wage-setting for part-time and school-based apprentices

Part-time and school-based\textsuperscript{114} apprentice wages are relatively new forms of apprenticeships created in response to policy initiatives by the introduction of the New Apprenticeships scheme by the Australian Government in 1996.

To facilitate wages for these new types of apprenticeships, model wage structures were introduced by the Commission in 2000 after interested parties applied for the endorsement of model clauses relating to part-time and school-based apprentices.\textsuperscript{115} The model clauses were developed by interested parties, including the ACTU and the ACCI, along with the Australian Government in response to the introduction of the New Apprenticeships scheme in order to ensure that ‘...these new forms of apprenticeship or traineeship is provided for by awards, to enable these new training options to be used by employers and employees.’\textsuperscript{116} To facilitate the introduction of these provisions, when an award contained provisions for apprenticeships, the Commission varied the award to include the model clause and consequently provide for part-time apprentices.

Despite these model clauses, inconsistencies in the availability of these provisions across awards in the federal, state and territory jurisdictions persisted.\textsuperscript{117} These types of apprenticeships and their availability in the national system are also discussed in Chapter 3.

1.1.6.2.1 Part-time apprentices

In 1996, the then Australian Government Minister for Schools, Vocational Education and Training (the Hon Dr David Kemp) introduced part-time ‘apprenticeships’ (which also applied to traineeships) to improve flexibility in apprenticeship training delivery to reflect trends in the labour market of increasing part-time employment,\textsuperscript{118} stating that:

\begin{quote}
The flexibility in these new arrangements will lead to the expansion of workplace based training at the senior secondary level. Part-time traineeships will be introduced in recognition of the trend in the youth labour market towards increased part-time employment.\textsuperscript{119}
\end{quote}

The creation of this new type of apprenticeship was part of the same broader policy announced in the 1996 Commonwealth Budget Statement that focused on a policy objective of ‘new apprenticeships’ to increase youth employment and training.\textsuperscript{120}

\begin{footnotesize}
\begin{enumerate}
\item School-based apprentices are considered as a form of part-time apprenticeship.
\item AIRC, Application to vary Shop, Distributive and Allied Employees Association—Victorian Shops Interim Award 1994, Dec 23/00 N Print S3850. (6 March 2000), pp. 1–3
\item AIRC, Application to vary Shop, Distributive and Allied Employees Association—Victorian Shops Interim Award 1994, Dec 23/00 N Print S3850. (6 March 2000), para 3.
\item See Chapter 3 of this paper which details pre-national system arrangements. See also Appendix 5—Comparative schedules from award modernisation, Appendix 4—Overview of industries and apprentice wages against key criteria and Appendix 6—Top 5 occupations and 1 industry.
\end{enumerate}
\end{footnotesize}
The model clause endorsed by the Commission provided that the rates applicable to part-time apprentices are the same as the rates applicable to full-time apprentices, expressed as an hourly rate. The progression rates were based on:

... a standard full-time apprenticeship of four years. The rates of progression reflect the average rate of skill acquisition expected from the typical combination of work and training for a part-time apprentice undertaking the applicable apprenticeship.

Research by the National Centre for Vocational Education Research (NCVER) in 2007 shows that historically the uptake of part-time apprenticeships has been very low, with data showing that ‘virtually no trades apprentices and trainees commenced in part-time training’ during all of 2006. The Australian Government noted in its submission to the AFPC’s 2006 wage-setting decision that prior to the Work Choices Act in 2006, only two federal awards contained part-time apprentice provisions.

Data analysis in Chapter 2 for apprentices shows that from 1999–2009 the annual average growth rate in the number of completions for part-time apprentices (13 per cent) was greater than the annual average growth rate for full-time apprentices (6 per cent) though notes that the number of part-time apprentice commencements was relatively lower (7,675 in 2009) compared to full-time apprenticeships (70,392 in 2009).

### 1.1.6.2.2 School-based apprentices

The policy behind the introduction of school-based apprenticeships was similar to the policy related to the introduction of part-time apprentices being to ‘...provide greater opportunities for young people to access the training opportunities offered through New Apprenticeships...’ and to reduce the number of young people that were leaving school and entering long periods of unemployment.

A school-based apprenticeship allows a student to complete their secondary school certificate while at the same time being in paid part-time employment and completing a nationally recognised Vocational Education and Training (VET) qualification. The stated government view was that the introduction of school-based training would assist students who do not go to University or full-time TAFE and will therefore face difficulties in entering the labour market.

Following this endorsement by the Commission of the model clauses for part-time apprentices (including school-based apprentices) in 2000, the ACCI and ACTU drafted a set of provisions which dealt only with school-based apprentices. The provisions were adapted from, and based on, the part-time apprentice clause.

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123 National Centre for Vocational Education Research, Australian Vocational Education & Training Statistics for Apprentices and Trainees 2006, September 2007, p. 3.
125 Kemp D, Address to the Australian Hotel Association’s National Convention and Trade Show, (Address delivered to the Australian Hotel Association’s National Convention and Trade Show, Gold Coast, 4 June 1997).
126 Victorian Curriculum and Assessment Authority, School Based New Apprenticeships (SBNA), Victorian Curriculum and Assessment Authority, Melbourne, 2003, p. 1.
The Australian Government outlined the key elements applicable to school-based apprentices that were evident in the model part-time apprenticeship clause were as follows:

[T]he rates applicable to part-time apprentices follow the same principles as the rates applicable to full-time apprentices. The rates for full-time apprentices apply for all time spent by the apprentices in off-the-job training as well as for all time spent in actual work.

1. Because the time spent in off the job training by school based apprentices is not as clearly defined as for full time apprentices, their wages do not apply to the actual time that they spend in off-the-job training. Instead, they are deemed to spend 25 per cent of their time in off-the-job training. As a result, school-based apprentices are paid the hourly rates applicable to the corresponding full time apprentices for all hours spent working on-the-job, and 25 per cent extra for the time deemed to be spent in off-the-job training. The end result is consistent with the rates paid to full time apprentices.

2. School-based apprentices progress through the wage scale applicable to full-time apprentices at the rate of 12 months progression for each two years of employment. This takes account of the fact that school-based apprentices are part-time and are acquiring skills at a lower rate than a full-time apprentice.127

After endorsing the model school-based apprenticeship clause in 2000, the Commission began a process of inserting standard clauses into awards on application allowing for school-based apprenticeships though in some cases this insertion was opposed. For example, In Application to vary Metal, Engineering and Associated Industries Award 1998—Part I (2004),128 the insertion of the model provision by the Commission into the Metal, Engineering and Associated Industries Award 1998—Part I and National Building and Construction Industry Award 2000 was opposed by the Construction, Forestry, Mining and Energy Union (CFMEU) on the basis that they claimed that school-based apprenticeships were by nature part-time apprenticeships and this raised safety concerns for construction.129 The Commission rejected this concern and inserted the clause into the awards.130

Data analysis in Chapter 2 for apprentices shows that from 1999–2009 the growth in the number of commencements for school-based apprentices gradually increased from 0.5 per cent of total apprenticeship commencements in 1999 to 6.0 per cent of total apprenticeships commencements in 2009.

1.1.7 Other historical developments and issues in apprentice wage-setting

1.1.7.1 Competency-based progression

During the 1980s a number of industry groups began to adopt a competency-based training model that focuses on outcomes rather than the length of time or the learning pathway.131 In November 1990 the Commonwealth/State Training Advisory Committee published a strategy for the implementation of a competency-based system into Australia’s VET system.132 However, though CBTP began to be implemented in state and territory training system, the implementation of CBWP to match this training progression proved more difficult given these changes largely needed to be implemented via state and territory industrial tribunals with the support of industrial parties.133

131 Harris et al, Competency-Based Education and Training: Between a Rock and a Whirlpool, 1995, p. 30.
132 Harris et al, Competency-Based Education and Training: Between a Rock and a Whirlpool, 1995, p. 52.
133 Harris et al, Competency-Based Education and Training: Between a Rock and a Whirlpool, 1995, p. 75.
In Application to vary Metal, Engineering and Associated Industries Award 1998 I (2006) employer and employee groups agreed on the need for CBWP as a way to address challenges the industry was facing, such as skills shortage and high non-completion rates of apprenticeships. The structure adopted in the award was made with reference to the ‘principle utilised’ in establishing the classifications structures for the National Training Award 2000 (which applies to trainees) and the Manufacturing and Associated Industries—Skills Development—Wages and Conditions Award 2004 (which took into account age, high school learning and previous experience in setting the appropriate wage). The AMWU supported CBWP because it was in line with principles of ‘structural efficiency’, which aim to build employee skills by remunerating general maturity, existing skills and ongoing skill development. The Commission decided to include both the competency progression clause and the increased rates proposed by the AMWU as it better reflected the productivity the employer received. Specifically, in relation to competency principles, the Decision stated:

These variations will meet the agreed objectives of the parties of the need for a more contemporary apprenticeship model based on competency principles, flexible entry and exit points and opportunities for achieving a higher qualification. The ability to undertake a qualification at AQF 5 Level should attract high calibre apprentices. The model enshrined in the variations should increase the relative attractiveness of apprenticeships to school leavers, help address industry competitive pressure for increased levels of productivity and efficiency and assist in addressing the lack of skilled workers. The ability for an apprentice to accelerate through the training, subject to appropriate safeguards, will also contribute to making the agreed objectives of the model.

Competency-based progression has also been implemented through wage-setting in the Queensland jurisdiction, which introduced broad-based orders in 2003. These orders are further discussed in Chapter 4. Notably, though most apprentices in Queensland operate under competency-based wage arrangements, a report commissioned by the Queensland Minister for Employment, Training and Industrial Relations to review nominal terms of apprenticeships in Queensland found that 30 per cent of apprentices across a range of trades finish their apprenticeship before the nominal term ends.

More recently, in May 2010, the Federal Budget Statement for 2010–11 outlined the Australian Government’s intention to fund and support a shift to a competency-based system for apprentices:

The Government will invest $19.9 million over the next four years to support a fundamental shift from a time-served apprenticeship model to a competency-based system.

The measure will ensure apprentices can progress through their training and qualifications in step with their acquisition of the relevant skills. This will mean that the supply of skilled labour can increase as the economy grows without jeopardising training quality.

134 AIRC, Application to vary Metal, Engineering and Associated Industries Award 1998, Decision PR968890. (21 February 2006).
139 Note: The Queensland Government indicated in a submission to the Award Modernisation Full Bench that 80 per cent of apprentices and trainees in Queensland are employed under CBWP (Queensland Government Submission to the Australian Industrial Relations Commission—Award Modernisation, submission to initial priority issues, June 2008, p.25). It has been assumed that as the Order—Apprentices’ and Trainees’ Wages and Conditions (Excluding Certain Queensland Government Entities) 2003 and Order—Apprentices’ and Trainees’ Wages and Conditions (Queensland Government Department and Certain Government Entities) Order operated as State Awards in the state system and NAPSS and APCSs in the federal system (prior to the commencement of the FW Act) most apprentices would have access to CBWP in Queensland.
In this statement, the Government indicated that an expert panel would be set up to examine and advise on apprenticeship training arrangements. The statement also outlined that, as well as funding reform to training, A small portion of the funding will be directed towards the reform of industrial instruments to enable and enhance competency-based progression.142

1.1.7.2 Historical issues with setting apprentice wages

Since Federation a number of consistent issues and themes have arisen in the setting of wages for apprentices in the state and federal jurisdictions.

1.1.7.2.1 Economic, equity and skilling considerations in wage-setting

The balance between the cost to an employer and the financial needs of an apprentice has been a main economic consideration in the setting of wages since the Harvester Case where the application of ‘fair and reasonable’ wages extended to apprentices.

The ‘human capital theory’ provides an economic rationale for the balance of costs and benefits for employers and employees in relation to apprentice and trainee wages.143 The theory asserts that training costs should be shared between firms and workers proportionate to the benefits accrued. Thus the apprentice benefits include education and training with the expectation that they will earn more in the labour market and the employer invests in the firms’ supply of skilled workers.144

The balancing act has remained an important consideration for the Commission when setting apprentice wages, as shown in a recent award modernisation decision regarding the creation of the Hospitality Industry (General) Award 2010:

We appreciate that the apprentice rates in the exposure draft will impose a cost on employers in many sectors of the industry in some States and on some sectors in other States. Against that, the prescription of lesser rates would disadvantage many current and prospective apprentices, particularly those to whom federal awards and some NAPSAs apply. This raises a difficult issue of balancing a cost to employers affecting their engagement of apprentices and the incentive to undertake an apprenticeship. Given these conflicting considerations and the diversity of apprentice wages across federal awards and NAPSAs an exercise of judgment is required.145

An important subset of these considerations has been the need for the maintenance of skilled labour within industries. The need to facilitate an adequate supply of skilled workers is an issue that the Commission has historically considered. In the Amalgamated Society of Engineers v Adelaide Steam-Ship Co. Ltd. and Others (1921), Justice Higgins expressed his decision that apprentice wages need to encourage workers to take up trades to ensure the maintenance of skilled workers, dubbing these ‘wages of attraction’.146

146  Amalgamated Society of Engineers v Adelaide Steam-Ship Co. Ltd. and Others (1921) 15 CAR 297, p. 328.
In the Ship Joiners (Apprentices) Case Commissioner Tonkin went further than this, expressing the view that investing in apprentices is essential for investing in the future sustainability of industry:

...as far as I am concerned the Commission will not be used to keep wages at a level merely for the purpose of persuading employers to train apprentices in their industries. In my opinion industry should be prepared to pay apprentices a fair and just wage in present-day conditions. I have yet to be shown conclusively that industry cannot afford to pay such a wage. If industry wishes to protect its interests, and it must do so, then industry must be prepared to pay for the safe-guarding of its future. The money thus spent will help to end the chronic deficiency of certain skilled labour.147

However, alternative views have also been expressed. In Metal Trades Award (1952)148 Commissioner Galvin rejected the union’s argument that youths were not taking up apprenticeships due to low pay. The Commissioner stated:

...the real explanation for the shortage of apprentices is to be found in the rapid expansion of industry coupled with the explanation furnished by the vital statistics pertaining to the fall in the birth rate during the depression years; the indications are that this aspect will adjust itself within the next couple of years.149

Nevertheless, Commissioner Galvin recognised that apprentice rates must still be competitive with unskilled rates of pay. The Commissioner stated:

Every reasonable inducement therefore should be held out to the youths about to enter industry and to that end the rate of pay for the apprentice should, I feel, more closely approximate that laid down for the unapprenticed youth.150

Equity concerns regarding apprentice wages is another economic issue considered by the Commission and its predecessors. This is further illustrated in Application to vary Furnishing Industry National Award 2003 (2003).151 The employer argued they should be exempt from the apprentice rates in the common rule federal award because the business is located in Australian Capital Territory with local competition coming from the New South Wales Queanbeyan area. Under the relevant New South Wales Award a second-year apprentice was paid $156.95 per week less than under the federal award. The Commission did not consider economic disadvantage was a strong enough argument to overcome the inequity of not applying a rate the apprentice has a right to enjoy.152

1.1.7.2.2 Use of the trade percentage system in setting wages

As mentioned, most federal awards have expressed apprentice wages as a percentage of the relative trade rate. Despite this, the appropriateness of this system has been subject to continued consideration by parties to awards. Some recent decisions of the Commission with relation to competency-based progression models of wages for apprentices in awards have also discussed shifting from this approach.

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148 Metal Trades Award (1952) 73 CAR 324.
149 Metal Trades Award (1952) 73 CAR 324, p. 396.
150 Metal Trades Award (1952) 73 CAR 324, p. 397.
In 1954 the report of the Joint Commonwealth–State Committee of Inquiry into Apprenticeship\(^{153}\) expressed support for the system of apprentice wages based on the relative tradespersons rate. It stated:

> We agree with the contention put forward by the majority of informants who expressed views on the question, that apprentices’ wages should be fixed as a percentage of the tradesmen’s rate, because it identifies the youth with his trade more closely from the beginning of his apprenticeship. The work he does, the skills he learns and the studies he undertakes are all essentially tied to his trade, and in our view it is proper that his wage should also be related to those of the tradesman.\(^{154}\)

However, early attempts to introduce the percentage system in wage-setting, such as the application by the unions into the *Metal Trades Award 1952* were unsuccessful.\(^{155}\) In this case, Commissioner Galvin rejected the union’s claim stating that ‘it would result in a departure from the uniformity which now exists in all apprentices’ rates, irrespective of their trade classification’.\(^{156}\) The Commissioner believed that there was no reason why, for example, an apprentice scientific instrument maker should earn more money than an apprentice fitter and turner.\(^{157}\)

Even when accepting the introduction of the percentage system in the Ship Joiners (Apprentices) Case, Commissioner Tonkin expressed some reservation with this model:

> ...I do not contend that such a principle should apply in all industries, as I am not in a position to say definitely whether or not such a procedure could be made to apply satisfactorily throughout industry generally, but, speaking generally, I propose to adopt such principle whenever and wherever practicable.\(^{158}\)

A report by Justice Beattie titled the *Report of the Inquiry Regarding the Functioning of the Apprenticeship System in New South Wales* (the Beattie Report 1968) further argued the use of the percentage trade system. Although the report focused on New South Wales industrial relations system, it provided a detailed analysis of apprentice wage-setting in the federal jurisdiction. In his final conclusions on apprentice wage-setting, Justice Beattie said:

(3) In my opinion the percentage system... has serious disadvantages. I believe that the factors relevant to be taken into account when fixing minimum rates of wages for tradesmen are different from the factors relevant to be taken into account when fixing minimum rates of wages for apprentices. If the wages of apprentices are tied to those of a class of tradesmen, any adjustment of the wages of apprentices will usually take place without an independent consideration of those wages and simply because a tribunal has found that factors relevant to the fixation of tradesmen’s wages justify an alteration of tradesmen’s wages...In a practical sense the percentage system denies the tribunal the opportunity of considering the factors relevant to apprentices’ wages, and those wages are fixed, as it were by a side-wind, whenever the wages of tradesmen are fixed.

(4) One important factor which it is proper to take into account when fixing apprentices’ wages is the need to make the wages sufficiently attractive to induce young people and their parents to look on apprenticeship with favour. Another important factor is the need to refrain from making wages so attractive to apprentices and their parents that they deter employers from playing a part in apprenticeship training. In practice the application of the percentage system involves no regard being paid to either of these two factors. In theory they could be considered in a separate case following the fixation of a new tradesmen’s rate and the percentages could be re-adjusted, but things do not happen that way.

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156 *Metal Trades Award (1952)* 73 CAR 324, p. 396.

157 *Metal Trades Award (1952)* 73 CAR 324, p. 396.

In my view a tribunal charged with the function of fixing apprentices' wages must take into account the costs of wage increases and whether such costs will deter employers from engaging apprentices. This type of consideration does not arise under the percentage system.\textsuperscript{159}

Despite Justice Beattie's opposition to the percentage system, he still expressed the need for the apprentice rate to be relative to the tradesperson rate "...the wage rates fixed for apprentices should bear a reasonable relationship to the rates awarded for tradesmen in the trade."\textsuperscript{160}

In February 2006, the Commission departed from using the trade percentage and time-served system as the basis for setting apprentice wage rates.\textsuperscript{161} In this case, Senior Deputy President Marsh decided that a 'more contemporary apprenticeship model' was needed so a wage structure was introduced which provided different levels of wages based on the number of years schooling; completion of years 11 or 12.\textsuperscript{162} This apprentice structure is similar to parts of the wage structure for trainees under the National Training Wage schedule (NTW schedule) now attached to modern awards. Her Honour cited one of the main reasons in reaching the decision was the fact that the National Training Wage Award 2000 (NTW Award 2000) recognised age, life experience and maturity as a necessary foundation for setting trainee wages and as such it was equitable that a similar approach be available for year 11 and 12 school leavers who wanted to commence an apprenticeship.\textsuperscript{163}

However, as a result of the industry-by-industry approach to apprentice wages that included use of the percentage system, rates of pay for apprentices at the commencement of the Work Choices Act were not uniform. As noted by the AFPC in its 2006 wage-setting decision:

> As apprenticeships developed on an industry basis...there were substantial variations from award to award. For example:

1. the percentage rates of pay varied from award to award and, in some cases, within different classes of apprenticeships in the same award or from one state to another;
2. some awards provided for higher rates based on an apprentice's education level (e.g. pre-apprenticeship courses and/or completion of year 11 or 12); and
3. some awards provided for higher rates based on the age of the apprentice (adult apprenticeships).\textsuperscript{164}

During the award modernisation process submissions were received that addressed the need to review the trade percentage system, with some parties arguing that the "...existing system is overly complex and does not provide all apprentices and, in some instances trainees, with a living wage."\textsuperscript{165} Alternative models were proposed including:

- to increase the first-year and second-year percentage rates in line with the Henderson Poverty Line;\textsuperscript{166}
- to set multiple entry points based on the National Training Wage (NTW);\textsuperscript{167}

\textsuperscript{159} Beattie AK, 1968, The Apprenticeship System in New South Wales: A Report by the Commission to the Minister for Labour and Industry, (Industrial Commission of New South Wales, Chairman Mr Justice AK Beattie), NSW Government Printer, Sydney, p. 311.
\textsuperscript{161} AIRC, Application to vary Metal, Engineering and Associated Industries Award 1998, Decision PR9688890, (21 February 2006).
\textsuperscript{164} AFPC, Wage-Setting Decision and Reasons for Decision, Commonwealth of Australia, October 2006, p. 105.
\textsuperscript{165} Group Training Australia, Submission to the Australian Industrial Relations Commission—Award Modernisation, General Submission in Award Modernisation—Priority Stage, AM2008/2–12, July 2008, p. 44.
\textsuperscript{166} Group Training Australia, Submission to the Australian Industrial Relations Commission—Award Modernisation, July 2008, pp. 45–47. The 'living wage' is referred to as assessing 'adequacy of income...to explore whether it is sufficient to buy the necessaries of life'; Bittman, M et al, Living Standards of Apprentices, Centre of Applied Social Research, University of New England, October 2007, p. 1.
• to set a percentage rate of pay that is relative to the national minimum wage or a relevant trade rate in a collective agreement, instead of the relevant award tradesperson rate;\(^{168}\) and

• a national apprentice wage structure that provides apprentice wages as a percentage of the national minimum wage with sector allowances, which would be provided to maintain relativity with the industry or trade.\(^{169}\)

### 1.1.7.2.3 Wage-setting for apprentices according to ‘characteristics’

As mentioned earlier, apprentice wage-setting, particularly earlier in the 20\(^{th}\) century was premised on the assumption that an apprentice is a junior employee. This was recognised in the Beattie Report 1968 in which it was outlined that minimum apprentice wages set by the New South Wales industrial tribunal were not designed to allow an apprentice to be fully self-supporting.\(^{170}\) The report outlined that in setting wages for apprentices up until this point, the New South Wales industrial tribunal had ‘assumed that, in the ordinary case, an apprentice will be living at home at least in the early years of his apprenticeship and, in some measure, he will be supported by his parents.’\(^{171}\)

While referring to the New South Wales industrial relations system, the facts presented in the Beattie Report 1968 reflect assumptions adopted in other jurisdictions. In 2006 the AMWU applied to vary the Metal, Engineering and Associated Industries Award 1998 and tendered evidence that provided a snapshot of how the characteristics of apprentices have changed in recent years:

At the time of the establishment of the current wages structure it would be fair to say that the majority of apprentices were:

1. Likely to be aged 16 and under;
2. Likely to have left school before completing the equivalent of year 10;
3. Likely to be living with their parents;
4. Not likely to have the expense of operating a motor vehicle or mobile phone which are considered necessities for a working person of today; and
5. Not likely to have been engaged in any form of structured vocational training at secondary school.

Today the typical apprentice is:

- Likely to be aged 17 or over;
- Likely to have completed year 11 or 12;
- More likely to be living independently;
- More likely to be operating a motor vehicle and mobile phone; and,
- More likely to have completed a vocational qualification or statement of attainment against a vocational qualification whilst attending secondary school.\(^{172}\)

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\(^{168}\) Group Training Australia, Submission to the Australian Industrial Relations Commission–Award Modernisation, General Submission in Award Modernisation—Priority Stage, AM2008/2–12, July 2008, pp. 49–50.

\(^{169}\) Central West Group Training, Submission to the Australian Industrial Relations Commission–Award Modernisation, General Submission in Award Modernisation—Priority Stage, AM2008/2–12, July 2008.


\(^{172}\) AIRC, Application to vary the Metal, Engineering and Associated Industries Award 1998, Decision PR968890, (21 February 2006), p. 43 at para. 16.
In this case the AMWU stated that apprentice wage structures reflected a time when apprentices were aged 14 or 15 rather than 17 or 18 and did not provide a diversity of entry points based on skill or experiences. The Ai Group expressed their views on the need to contemporise apprentice wage structures, given the changing diversity of apprentice characteristics and the needs of people who wish to take up apprenticeships. Senior Deputy President Marsh decided to increase pay rates for school leavers entering apprenticeships in the metal industry who had completed year 11 or 12 based on the following reasons:

- Increased apprentice wage rates for school leavers who have completed year 11 or year 12 should alleviate the shortage of skilled labour as the relative attractiveness of apprenticeships compared with other training options or other employment opportunities is improved.
- The higher rates for year 11 and year 12 reflect higher competency levels as measured by experience, maturity and skills acquired at higher levels of schooling. These apprentices should perform at a higher level of productivity and efficiency.

The demographics of apprentices in Australia (including over the past 10 years) is explored in Chapter 2.

1.1.8 Conclusions on the history and development of apprentice wages

The history and development of apprentice wages in the federal system indicated that:

- apprentice wage structures have provided for increases in pay throughout the progression of the apprenticeship in recognition of increased skill and work value as quantified by time served;
- for the most part, these wages have been expressed as a percentage of the relevant trade rate, though this system has attracted some discussion;
- the balance between cost to an employer and the financial needs of an apprentice, as well as the maintenance of skilled employment, consistently figure to varying degrees in considerations setting apprentice wages;
- over time new types of apprentice wage structures have been developed for adult apprentices, part-time apprentices and school-based apprentices;
- the assumed young age of the apprentice has been a contributing factor in determining apprentice wages, though there is increasing argument that employees enter into apprentices at various ages with differing levels of life experience and education; and
- coverage of apprentice wages (and the methods of setting wages) has not been uniform across the federal jurisdiction and has varied industry by industry.

1.2 Current wage-setting arrangements for apprentices under the *Fair Work Act 2009* (Cth)

This section provides an overview of minimum wage-setting arrangements for apprentices under the FW Act. Since 1 January 2010, the Panel of Fair Work Australia has commenced a yearly review of minimum wages for minimum wage reliant employees in the federal jurisdiction, including apprentices.

This section will review wage regulation under the FW Act and the continued regulation of training arrangements by state and territory legislation.

1.2.1 Role of the Minimum Wage Panel

The FW Act requires the Panel of Fair Work Australia to undertake an annual wage review in each financial year. As part of this review, the Panel must review modern award minimum wages and make a national minimum wage order to take effect by 1 July in the next financial year.

In undertaking this review, the Panel must have regard to the minimum wages objective and the modern awards objective (in considering modern award minimum wages). The minimum wages objective requires that as part of establishing and maintaining a safety net of fair minimum wages, Fair Work Australia must take into account a number of factors including ‘providing a comprehensive range of fair minimum wages to junior employees, employees to whom training arrangements apply and employees with a disability.’

‘Employees to whom training arrangements apply’ is not defined by the FW Act though a ‘training arrangement’ is defined by the FW Act to be a ‘combination of work and training that is subject to a training agreement, or a training contract, that takes effect under a law of a state or territory relating to the training of employees.’

Apprentice minimum wages in the national system, including special national minimum wages for employees to whom training arrangements apply (see section 1.2.2) and modern award minimum wages can be adjusted by the Panel as part of its annual wage review. However there are other mechanisms in which apprentice minimum wages may be varied under the FW Act these include:

- the variation of modern award minimum wages as part of the two or four-yearly review of modern awards;
- the variation of modern award minimum wages at the initiative of Fair Work Australia or by application by specified parties for either work value reasons or as necessary to achieve the modern awards objective;
- the variation of wages or instruments as the result of an equal remuneration order made under Part 2–7 of the FW Act.

The paper will focus on the role of the Panel in the adjustments of minimum rates for apprentices.

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177 *Fair Work Act 2009* (Cth), s. 285(1).
178 *Fair Work Act 2009* (Cth), s. 285(2) and s. 287.
179 *Fair Work Act 2009* (Cth), s. 284.
180 *Fair Work Act 2009* (Cth), s. 134.
181 *Fair Work Act 2009* (Cth), s. 12.
182 *Fair Work Act 2009* (Cth), s. 157(2).
184 The ‘one off’ two year review to be conducted in 2012 is required to be conducted under item 6, Part 2, sch 5 of the *Fair Work (Transitional Provisions and Consequential Amendments) Act 2009* (Cth) and the four-yearly review of modern awards is required under s.156 of the *Fair Work Act 2009* (Cth).
185 The parties that may apply to vary a modern award outside of a four-yearly review (and the kinds of applications which may be made) are outlined in s.158 of the *Fair Work Act 2009* (Cth).
186 *Fair Work Act 2009* (Cth), s. 157(2).
1.2.2 Setting special national minimum wages for employees to whom training arrangements apply

As provided in s.294 of the FW Act, the national minimum wage order required to be set each year by the Panel must set a special national minimum wage for award/agreement free employees to whom training arrangements apply.188 Within this order, the Panel must set a number of wages for award/agreement-free employees including a national minimum wage, casual loading and special national minimum wages for particular classes of employee. Notably, the national minimum wage does not apply to particular classes of employee including employees to whom training arrangements apply.

One of the special national minimum wages set by the Panel must include a special national minimum wage covering all employees to whom training arrangements apply (who are award/agreement-free) or a specified class of those employees.

In the Panel’s Annual Wage Review 2009–10 3 June 2010 decision, the Panel decided (using provisions in the Fair Work (Transitional Provisions and Consequential Amendments) Act 2009 (Cth) to defer setting the special national minimum wage for junior employees and employees to whom training arrangements apply until the Annual Wage Review 2010–11.189

1.2.3 Continued regulation of the training contract through state and territory legislation

The FW Act has continued the approach of the WR Act in providing that certain state and territory laws continue to operate in conjunction with wage-setting arrangements in the FW Act including those applying to ‘training arrangements’.190 Accordingly, each state and territory maintains its own training legislation, which regulates training arrangements within their jurisdiction:

- Education and Training Reform Act 2006 (Vic);
- Apprenticeship and Traineeship Act 2001 (NSW);
- Training and Skills Development Act 2008 (SA);
- Northern Territory Employment and Training Act 1991 (NT);
- Vocational Education, Training and Employment Act 2000 (Qld);
- Vocational Education and Training Act 1996 (WA);
- Vocational Education and Training Act 1994 (Tas); and

The non-exclusion of the application of state and territory laws relating to training arrangements does not include training arrangements which apply to the ‘terms and conditions of employment to the extent that those terms and conditions are provided for by the National Employment Standards or may be included in a modern award’.191

188 Fair Work Act 2009 (Cth), s. 294(1)(b)(ii)
190 Fair Work Act 2009 (Cth), s. 27(2)(f). Note that the FW Act applies ‘to the exclusion of all State or Territory laws so far as they would otherwise apply in relation to a national system employee or a national system employer’ FW Act s. 26(1) unless otherwise specifically provided for.
191 Fair Work Act 2009 (Cth), s. 27(2)(f).
It should also be noted that in the 2010–11 Ministerial Budget Statement, the Australian Government committed $55 million to establish a new National VET Regulator and Standards Council, which is planned to exercise some regulatory powers now invested in the state and territory training authorities. The National Vocational Education and Training Regulator Bill 2010 is presently being considered by the Parliament to enact these changes.\(^{192}\)

### 1.2.4 State and territory training authorities

Each Australian state and territory government has a State Training Authority (STA) which is a government department responsible for regulating the VET System in its respective jurisdiction. The VET System regulates Australian Apprenticeships.

The Commonwealth Department of Education, Employment and Workplace Relations (DEEWR) outlines that STAs can participate in the ‘formulation of national policy, planning and objectives, and promotes and implements the agreed policies and priorities in the state or territory’.\(^{193}\) The specific areas of responsibility presently include:

- quality of training issues;
- quality of VET product issues;
- registration and certification of Australian Apprenticeships training agreements;
- registration and monitoring of Group Training Organisations (GTOs);
- employment arrangements surrounding Australian Apprentices;
- registration and certifications of qualifications/vocations;
- registrations and monitoring of Registered Training Organisations (RTOs); and
- allegations of misuse of User Choice training funding.\(^{194}\)

STAs in each state and territory are answerable to their Minister, who forms part of the Ministerial Council for Tertiary Education and Employment (MCTEE) chaired by the relevant Australian Government Minister.\(^{195}\) The Council of Australian Governments (COAG) agreed that the MCTEE has responsibility for a number of areas including VET and the Australian Qualifications Framework. This includes ‘overall responsibility for the national tertiary education and employment system’ which includes ‘establishing streamlined arrangements for national consistency and harmonisation of the VET and Higher Education sectors (while respecting the distinct mission of each sector)’.\(^{196}\)

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\(^{192}\) At 1 January 2011, the legislation to establish the national VET regulator had been introduced into the Senate on 26 November 2010 and the Department of Education, Employment and Workplace Relations stated that ‘it is likely that it will be passed early in 2011, allowing the regulator to commence operations in April 2011.’ (Department of Education Employment and Workplace Relations, ‘VET Regulator Progress’ <http://www.deewr.gov.au/Skills/Overview/Policy/NationalVETRegulator/Pages/VETRegulatorprog.aspx> accessed 5 January 2011. Under the National Vocational Education and Training Regulator Bill 2010, all States have agreed to refer these powers, with the exception of Victoria and Western Australia which instead intend to enact mirror legislation within their own jurisdiction. Importantly, the legislation seeks to apply to only international and multi-jurisdictional providers.


1.2.5 Pre-modern award arrangements and modern awards

Modern awards commenced on 1 January 2010, with wage provisions commencing on 1 July 2010.\textsuperscript{197}

Despite the coverage of modern awards applying broadly to industries or occupations irrespective of state or territory boundaries, instruments from the prior state and federal systems continue to exist.\textsuperscript{198}

Though most instruments ceased to apply to an employee when an applicable modern award took effect,\textsuperscript{199} some instruments continue or will continue to be used for the purpose of applying transitional provisions in modern awards.\textsuperscript{200} This phasing and transition has meant that employees to whom training arrangements apply may have differing wage arrangements between industries and occupations (as well as terms and conditions of employment).

Division 2B State Awards, for example, continue to apply to Division 2B state reference employees until they terminate on 31 December 2010.

The transitional legislation and regulations allow certain pre-modern awards to continue to apply (despite the commencement of modern awards replacing coverage of the instrument and the termination of some modernisable instruments at 1 January 2011) to employees to whom training arrangements apply, if such instruments provide terms and conditions of employment related to CBWP or the provision of tools for use by apprentices. These instruments are:

- **Division 2B State Awards**—if prior to 1 January 2010 the state award was affected by an order, decision or determination which set minimum terms and conditions for an employee to whom a training arrangement applies and provides for CBWP or solely provided for the provision of tools for use by apprentices, then this instrument does not terminate on 31 December 2010 and will continue to apply if it covers an employee and employer to whom a training arrangement applies.\textsuperscript{201}

- **Award-based transitional instruments\textsuperscript{202} and transitional APCSs**—if prior to 1 January 2010 an award-based transitional instrument (and its associated transitional APCS) set minimum terms and conditions for an employee to whom a training arrangement applies and provides for CBWP or solely provided for the provision of tools for use by apprentices, then these instruments continue to apply with relation to these terms and conditions of employment for employees to whom training arrangements apply for as long as the instrument covers that employee (even if a modern award may cover that employee).\textsuperscript{203}

\textsuperscript{197} AIRC, Award Modernisation Decision, AM2008/25–63, [2009] AIRCFB943 (3 December 2009), para. 3.
\textsuperscript{198} Fair Work (Transitional Provisions and Consequential Amendments) Act 2009 (Cth), Part 2, sch 3; Div 1, Part 3, sch 9.
\textsuperscript{199} Fair Work (Transitional Provisions and Consequential Amendments) Act 2009 (Cth), Item 29, sch 3; Item 3, sch 5 Item 11, Part 3, sch 9.
\textsuperscript{201} Fair Work (Transitional Provisions and Consequential Amendments) Regulations 2009 (Cth), Reg 3A.01.
\textsuperscript{203} Fair Work (Transitional Provisions and Consequential Amendments) Regulations 2009 (Cth), Reg 3B.02. A recent Full Bench decision on 22 December 2010 outlined that these arrangements would be continued past 1 January 2011 outlining that in terminating some modernisable transitional instruments as part of the award modernisation process that it would ‘... provide that any order terminating a relevant award-based transitional instrument or transitional APCS operates subject to item 16.’ (Item 16, sch 5 are the provisions which preserved the Qld’s order competency based wage progression arrangements), FWA, Award modernisation- Termination of Modernisable Instruments, Decision [2010] FWAFB 9916 (21 December 2010), para. B6.
As discussed later in Chapter 4, these provisions would therefore apply to Queensland employees and employers who were covered by the following three orders through their industrial instruments prior to either the commencement of the Work Choices Act or the Fair Work (Transitional and Consequential Amendment) Act 2009 (Cth) (i.e. they were covered by a Division 2B State Award or award-based transitional instrument and APCS prior to 1 January 2010):

- **Order—Apprentices’ and Trainees’ Wages and Conditions (Queensland Government Departments and Certain Government Entities) 2000 (QLD) (Qld GDGE Order)**;

- **Order—Apprentices’ and Trainees’ Wages and Conditions (Excluding Certain Queensland Government Entities) 2003 (QLD) (Qld Order)**; and

- **Order—Supply of Tools to Apprentices 1998 (QLD) (Tools Order)**.
2 Characteristics of apprentices

This chapter investigates the characteristics of apprentices by analysing two separate datasets. The sources of these datasets are:

- the NCVER database on administrative reporting by state and territory training authorities; and

NCVER’s dataset is derived from the National Apprentice and Trainee Collection and is reported on a quarterly basis. The ABS SEW uses data collected from around 30,000 households in a survey conducted in May each year based on each interviewee’s response to questions. The survey is designed to present information about the educational experiences of people, especially in relation to their labour force status.

The first section of this chapter provides a series of broad definitions of apprentices and how they differ from trainees. Section 2.3 gives a brief overview of aggregate data on apprentices for 2009 (the most recent yearly data available). This is followed by a historical analysis focusing on trends over the 10 years to 2009 using NCVER data in section 2.4. Section 2.5 analyses the disaggregated characteristics of apprentices and also compares the NCVER and ABS estimates.

2.1 Definitions of ‘apprentice’ and ‘apprenticeship’

Since 2006, the Australian Government has defined ‘Australian Apprentices’ to be people undertaking an Australian Apprenticeship204 that ‘combine[s] training and employment [which] … can lead to a nationally recognised qualification’.205 Consistent with this definition, ‘Australian Apprentices’ can encompass employees in a wide variety of occupations, and training for differing VET qualifications.206

Despite this definition, some parties draw a distinction between what is a ‘traditional’ apprenticeship (that is, an arrangement that results in a trade qualification) and a traineeship (an arrangement that does not lead to a trade qualification). What constitutes an apprenticeship has changed over time and has varied from policy, statistical, legislative and industrial perspectives.

Most awards, including modern awards, provide separate wage provisions for what are deemed ‘apprentices’ as distinct from ‘trainees’ (trainees are treated separately in modern awards being covered by the NTW schedule, whereas apprentices have industry-specific clauses—see Chapter 3). Despite this distinction at a wage-setting level, the FW Act provides no unified definition as to what constitutes an apprentice or what forms an apprenticeship.

This section outlines the differing contemporary approaches to defining ‘traditional’ apprentices as distinct from ‘trainees’.

204 The ‘Australian Apprenticeships’ website administered by the Australian Government states that ‘Australian Apprenticeships are available in a variety of certificate levels in more than 500 occupations across Australia, in traditional trades, as well as a diverse range of emerging careers in most sectors of business and industry’. <http://www.australianapprenticeships.gov.au/about/default.asp>.
2.1.1 ‘Traditional apprenticeships’ and what constitutes a ‘trade’

Discussion of ‘apprenticeships’ has included considerations of ‘traditional apprenticeships’, that is, workers who undertake training and work that results in a ‘trade qualification’. What constitutes a ‘trade’ can further differ between approaches.

The link between trades and traditional apprenticeships stems from pre-federation British legislation and case law. In the English case of *St Pancras Middlesex v the Parish of Claphan, Surrey*, Chief Justice Cockburn stated:

> In legal acceptation, an apprentice is a person bound to another for the purpose of learning his trade or calling; the contract being of that nature that the master teaches and the other serves the master with the intention of learning.

However, there was no clear understanding of what constituted a ‘trade’ for the purposes of defining an apprentice. In that case, Chief Justice Cockburn stated that ‘trade, for the purposes of defining an apprentice, was not restricted to manual occupations or to the trades carried on for the purpose of commerce’.

In their 2001 report, ‘Australian Apprenticeships: Facts, fiction and future’, NCVER defined ‘traditional apprenticeships’ in Australia as exhibiting the following features:

- a contract of employment and training of typically four years’ duration;
- a structured training program typically involving four days per week in on-the-job instruction and employment, one day per week (or equivalent in longer blocks) off the job in TAFE or with other registered training provider for the first three years of the apprenticeship; and
- a training program leading to a trade certificate or equivalent, at certificate III level under the new Australian Qualifications Framework (AQF).

In the 2003 Senate Standing committee for Education, Employment and Workplace Relations report *Aspiring to Excellence: Report of the inquiry into the quality of Vocational Education and Training in Australia*, an apprenticeship was defined separately from a trainee as ‘being the basis of nearly all training for trade occupations’.

The Commonwealth-State Apprenticeship Inquiry 1954 Report to the Committee74 listed all the apprenticeship arrangement trades as including blacksmiths, electrical mechanics, motor mechanics, fitter and turners, plumbers, printers, dressmakers, bakers and hairdressers. While some of these trades no longer exist, most are still included in the Australian and New Zealand Standard Classification of Occupations (ANZSCO) under the Major Group 3—Technicians and Trades Workers.

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208 *St Pancras Middlesex v the Parish of Claphan, Surrey* (1860) 29 L.J.M.C 141.
209 *St Pancras Middlesex v the Parish of Claphan, Surrey* (1860) 29 L.J.M.C 141, p. 145.
210 Durations of training contracts for occupations in different states and territories vary, in accordance to the various training legislative provisions of each state and territory. Moreover, Vocational Education and Training legislation in most states and territories provide for early completion of the apprenticeship. This is further discussed in Chapter 4.
Almost all apprenticeship provisions included in modern awards would cover workers whose occupations fit into the ANZSCO Major Group 3—Technicians and Trades Workers category.216

2.1.2 Distinction between apprentices and trainees

The merging of ‘traditional’ apprenticeships and traineeships originally occurred in 1996 as a result of the Australian Government’s employment and training policy to undertake substantial reform of VET.217 The Government advocated that reforms to VET were needed in order to ‘[develop] a highly skilled workforce that [could] help establish Australian businesses, products and services as market leaders worldwide’.218

To achieve this policy aim, one of the key initiatives proposed and adopted in the 1992 report ‘The Australian Vocational Certificate Training System’219 by the Skills Formation Council was for a unified training system that integrated the apprenticeship and traineeship system. Implementation of the proposal in this report resulted in the creation of ‘New Apprenticeships’ (to later be renamed ‘Australian Apprenticeships’ in 2006).

The overall policy objective of New Apprenticeships was ‘[m]odernising and streamlining the Australian training system... thereby greatly expanding employment and career opportunities ...and increasing international competitiveness of Australian enterprises’.220 Furthermore, ‘New apprenticeships were a national commitment to dispense with legislative and administrative distinctions between the formerly different training systems’221 to make training more accessible and flexible and to have a training ‘system ...[that] delivers nationally recognised outcomes’.222

These changes removed the distinction between trainees and apprentices by both redefining the term apprenticeship to include vocational education and by expanding the industries in which apprenticeships could be undertaken. Discourse and research still often distinguishes ‘traditional’ apprenticeships from the encompassing definition of ‘Australian Apprenticeships’. Below is a further discussion of the differing approaches from:

- data perspectives;
- federal, state and territory legislation;
- approaches of federal, state and territory governments; and
- pre-reform and modern awards.

216Exceptions include: apprentices covered by the Dry Cleaning and Laundry Industry Award 2010 as well a few classifications (for example waiters, gravediggers, interpreters) within some modern awards. Some modern award provisions such as the Miscellaneous Award 2010 and the Local Government Industry Award 2010 contain apprentice provisions that are too general to determine whether the workers would fit under the ANZSCO Major Group 3—Technicians and trades workers classification.
218Kemp D, ‘Address to the Australian Hotel Association’s National Convention and Trade Show’, (Address delivered to the Australian Hotel Association’s National Convention and Trade Show, Gold Coast, 4 June 1997).
2.1.2.1 Data perspectives

NCVER identifies apprentices using an approximate measure of employees located in the ANZSCO (2006) Major Group 3—Technicians and trades workers and includes employees of all ages. In the 2010 report, *Apprenticeships and traineeships in the downturn*, NCVER explained that for convenience they ‘label those with a contract of training in the trades (technicians and trades workers in the Australian and New Zealand Standard Classification of Occupations [ANZSCO]) as apprentices and those with a contract of training in other occupations as trainees’.

The data is derived from the National Apprentice and Trainee Collection, which is compiled under the Australian Vocational Education and Training Management Information Statistical Standard (AVETMISS) for apprentice and trainee collection specifications. Full-time apprentices are defined in the ‘Australian Apprenticeship/Traineeship Training Contract’ as those whose ordinary hours of work are not less than the usual hours of employment for a full-time employee in that occupation. Various provisions apply to part-time apprentices across Australia and across occupations.

With the move to New Apprenticeships and Australian Apprenticeships, the definitions between apprenticeship and traineeship were intentionally blurred. Due to this, NCVER publications report on contracts of training, as the data provided to NCVER by states and territories do not distinguish apprentices from trainees. In an effort to continue to report on apprenticeships, NCVER previously proxied the term ‘traditional apprentices’ as including those ‘employed under a contract of training in a trades occupation (as defined by the Australian Standard Classification of Occupations (ASCO)), training towards a qualification at Australian Qualifications Framework (AQF) level III or higher, and the expected duration of that contract is more than two years for full-time workers (or more than eight years for part-time workers)’. However, NCVER no longer reports these distinctions, although states and territories report these separately.

Several concepts are used in the NCVER data:

- **Commencements** refer to apprentices starting a program of training, with the date of commencement being the date of registration or approval of a contract of training;
- **Completions** refer to contracts of training in which all of the prescribed requirements have been met;
- **Attrition** relates to contracts of training which were commenced but subsequently cancelled, withdrawn from, or transferred; and
- **In-training** refers to apprentices who are actively training under the terms of their contract and who have not completed, cancelled, withdrawn or transferred their training, or had their training contract expire without meeting all of the prescribed requirements of their program.

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224 This is the standard or prescribed form for training contracts adopted by each state and territory authority: see Australian Government Department of Education, Employment and Workplace Relations, Apprenticeship/Traineeship Training Contract, Commonwealth of Australia, July 2009. This contract is similar to the contract contained in the Vocational Education and Training (General) Regulations 2009 (WA) sch 1.
Each contract of training is counted separately. For example, if a person commenced two or more contracts in the same year, each is counted separately. Contracts ‘transferred’ are considered as cancellations or withdrawals because historically they have been reported this way. In some states and territories, an apprentice can switch between employers without the need to cancel one contract and commence another.

School-based apprentices are included in NCVER’s count of apprentices and trainees. A school-based apprentice satisfies the conditions that:

- the student is enrolled in a senior secondary certificate under the relevant legislation;
- the student is enrolled in a school or education provider that acknowledges and endorses the Training Plan/Outline required by the Traineeship Training Contract; or
- the Australian School-based Apprenticeship is recognised on the senior secondary certificate.

The ABS identifies apprentices by their answer to a question specifically relating to the Australian Apprenticeship Scheme. In 2009, they defined an apprentice as a person aged 15–74 years who had entered into a legal contract (called a training agreement or contract of training) with an employer, to serve a period of training for the purpose of attaining tradesperson status in a recognised trade. Prior to 2008, the ABS defined an apprentice to be aged 15–54 years. However, in 2008, this was changed to include persons aged 15–64. In 2008, the definition for apprentices and trainees changed from those employed as apprentices/trainees to include only those with a formal contract under the Australian Apprenticeship Scheme. Australian School-based Apprenticeships are excluded from their count of apprentices.

Full-time apprentices are defined as those who usually work 35 hours or more in a week or those who worked 35 hours or more in the reference week.

2.1.2.2 Federal, state and territory legislation

2.1.2.2.1 Fair Work Act 2009 (Cth)

As outlined, the FW Act does not directly draw any distinction between ‘apprentices’ or ‘trainees’, encompassing both in a definition of ‘employees to whom training arrangements apply’. ‘Training arrangements’ are defined as ‘a combination of work and training that is subject to a training agreement, or a training contract, that takes effect under a law of a state or territory relating to the training of employees’. To this extent, the definition largely reflects the Australian Government’s approach in defining ‘Australian Apprenticeships’ as a link between training and employment.

The FW Act provides separate definitions for some categories of apprentices such as school-based apprentices. Section 12 of the FW Act defines a ‘school-based apprentice’ to be a ‘national system employee who is an apprentice to whom a school-based training arrangement applies’ and a ‘school-based trainee’ to mean ‘a national system employee (other than a school-based apprentice) to whom a school-based training arrangement applies’. The section does not define the distinction between what would make the school-based employee an ‘apprentice’ or a ‘trainee’.

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229 See for example s. 284(3)(a) Fair Work Act 2009 (Cth).
230 Fair Work Act 2009 (Cth), s. 12.
Other sections of the FW Act also highlight that within the ‘employees to whom training arrangements apply’ definition, there may be ‘classes’ within that category which may be afforded differing rights depending on their classification. For example, s.123(1)(d), relating to the termination of employment provisions, provides that ‘an employee (other than an apprentice) to whom a training arrangement applies and whose employment is for a specified period of time or is, for any reason, limited to the duration of the training arrangement’ is excluded from the operation of Division 11. This demonstrates that there is recognition by the Act of the distinction between an apprentice and other ‘training’ employees.

The explanatory memorandum to the FW Act also discusses the idea of a ‘separation’ of apprentices from trainees in the context of the Part 3–2 Unfair Dismissal provisions (s.386(2)(b)) outlining that:

1537. Paragraph 386(2)(b) provides that a person on a training arrangement and whose employment is for a specified time or is otherwise limited to the duration of the training arrangement has not been dismissed where their employment has terminated at the end of the training arrangement. Training arrangement as defined covers both trainees and apprentices. This paragraph is intended to cover competency-based training arrangements that have a nominal end date which can be altered in line with the employee’s competency but that still limit the person’s employment to the duration of the training arrangement.

1538. Paragraph 386(2)(b) does not prevent trainees and apprentices from seeking a remedy if they are dismissed during the life of their traineeship or apprenticeship.

1539. Trainees and apprentices may also have remedies for a dismissal under State or Territory training laws. However, the provisions dealing with multiple applications in Part 6-1 would prevent a trainee or apprentice from accessing multiple remedies.231

2.1.2.2 State and territory legislation

VET is an area of shared responsibility between the Australian, state and territory governments together with industry. In all state and territory jurisdictions, VET legislation regulates the training of and access to qualifications for apprentices and trainees.

In contrast to pre-1990 vocational legislation, which drew links between an apprentice and their learning of a trade,232 most state and territory vocational training legislation now reflects the Australian Government’s approach to ‘Australian Apprentices’ by defining an apprentice as a person employed for training purposes under an approved training contract.

In most definitions in state and territory VET legislation, an apprenticeship involves a contract of training between an employer and employee. In some jurisdictions, such as the Northern Territory, the VET legislation defines an apprentice broadly, outlining that it is a person employed to be an apprentice, but does not specify any particular occupations that must encompass it, leaving it to the training contract to specify the relevant qualification that will be obtained at the end of training.233 Similarly, the Western Australian legislation outlines that an ‘apprentice’ encompasses a person who is in a training contract ‘whether the person is termed an apprentice, a trainee, a cadet, an intern or some other term’.234

232 See for example, the first legislation in New South Wales, the Apprentice Act 1901 (NSW), Apprenticeship Act 1981 (NSW) and the Industrial Training Act 1975 (Vic).
233 Northern Territory Employment and Training Act 1991 (NT) s. 3(1).
234 Vocational Education and Training Act 1996 (WA) s. 60A. The Explanatory Memorandum of the Education and Training Legislation Amendment and Repeal Bill: Amendments to Vocational Education and Training Act 1996 (WA) states that for the purposes of the act, ‘apprentice’ means any person in an employment based training scheme, such as apprentice, trainee, intern or cadet’: ‘Summary of Amendments’, Education and Training Legislation Amendment and Repeal Bill: Amendments to Vocational Education and Training Act 1996 (2008) WA.
Some state and territory legislation does recognise a distinction between an apprentice and trainee, but does not seek to further define the term. For example the ACT legislation defines a ‘trainee’ to be someone who undertakes training under a contract ‘and includes an apprentice’. The South Australian legislation provides a dual definition stating that an ‘apprentice/trainee’ is a person who undertakes ‘training in a trade or declared vocation under a training contract’. The Tasmanian legislation also includes an apprentice within the definition of ‘trainee’, providing only a definition of ‘trainee’ (rather than also of an apprentice) defining a ‘trainee’ to be ‘an employee who, whether described as a trainee, apprentice or otherwise, is a party to a training agreement that provides for the employee to undergo training leading to a qualification under the AQF’.

Other state and territory legislation draws a clearer distinction between a trainee and an apprentice based on the contracts of training signed at the commencement of training. The New South Wales VET legislation distinguishes an apprentice and trainee according to whether the party is signatory to an ‘apprenticeship contract’ or a ‘trainee contract’.

Victoria’s VET legislation defines an ‘apprentice’ broadly to be a ‘person whom an employer has undertaken to train under a training contract’. It further outlines that a ‘training contract’ can be an ‘apprenticeship training contract’ or a ‘traineeship training contract’.

2.1.2.3 Approach of federal, state and territory governments

2.1.2.3.1 Federal government

As outlined, the present Australian government definition of ‘Australian Apprentices’ is a broad definition which can encompass many types of employees in training. However, in the Council of Australian Governments (COAG) 2009 Australian Apprentices Taskforce—Final Report (which triggered the review into apprenticeships being conducted by the Australian Apprenticeships in the 21st Century Panel), the taskforce supported that:

...measures should be restricted to and directed at selected traditional trades. This does not mean that changes to the traineeship system should not occur but rather there are other processes and avenues to deal with identified issues in the traineeship system and ensure that the potential of that system if fully realised.

The report noted that by ‘traditional trades’ ‘it meant occupations that comprise the Australian Standard Classification of Occupations (ASCO) Classification Major Group 4—Tradepersons and related workers’.

2.1.2.3.2 State and territory bodies

Despite the definitions established by each jurisdiction’s legislation, training authorities and government bodies that manage vocational training and access to qualifications also provide varying definitions of apprentices.

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235 Training and Tertiary Education Act 2003 (ACT) s. 4.
236 Training and Skills Development Act 2008 (SA) s. 4(1).
237 Vocational Education and Training Act 1994 (Tas) s. 3.
238 Apprenticeship and Traineeship Act 2001 (NSW) s. 3.
239 Education and Training Reform Act 2006 (Vic) s. 1.1.3.
241 Currently, the reporting of the data uses Australia New Zealand Standard Classification of Occupations (ANZSCO) instead of Australian Standard Classification of Occupations (ASCO).
For example, the Northern Territory’s Department of Education and Training ‘Policy and Guidelines’ for Northern Territory Apprentices and Trainees states that:

Apprenticeships are at Certificate III level and above in the traditional trade occupations such as builders, construction workers, plumbers, mechanics and electricians, as well as other occupations such as chefs, butchers and hairdressers. Apprenticeships may take three to four years to complete (however, competency based training principles must be applied).

Traineeships are more common in industries such as retail, hospitality, business services, information technology and community services and are usually one to two years in duration, or more for higher level and management qualifications. Competency based training principles must be applied.\(^243\)

Similarly, the Queensland Department of Education and Training (QDET) provide a distinction between the occupations of an ‘apprentice’ and a ‘trainee’:

An apprentice is trained in a skilled trade and upon successful completion will become a qualified tradesperson. Trades such as electrical, plumbing, cabinet-making and automotive mechanics are just a few that are a part of the apprenticeship scheme.

A trainee is someone who is being trained in a vocational area. These vocational areas include, but are not limited to, office administration, information technology and hospitality. Upon completion of a traineeship you will be eligible to receive a minimum of a certificate II in your chosen vocational area.\(^244\)

The New South Wales Department of Education and Training (NSW DET), however, seeks to define an apprentice according to whether the worker is employed in a ‘recognised trade vocation’:

[A] person who has been employed in a recognised trade vocation and who has entered into a training contract with his/her employer under the Apprenticeship and Traineeship Act 2001.\(^245\)


\(^{245}\) Department of Education and Training (New South Wales), A complete guide to apprenticeships and traineeships in New South Wales, DET, 2010, p. 34.

\(^{246}\) See for example: the Building and Construction General On-site Award 2010, which defines an apprentice as ‘an employee who is bound by a contract of training registered with the appropriate State or Territory training authority’ and the Electrical, Electronic and Communications Contracting Award 2010, which provides that an apprentice is a person ‘engaged in trades or occupations provided for in clause 12.2(c) where declared or recognised by an apprenticeship authority established under State or Territory legislation’.

\(^{247}\) Building and Construction General On-site Award 2010 (MA000020) [Fed], cl. 3.
Most modern awards contain a standard clause defining a school-based apprentice. The clause contained in the modern awards is based on the model school-based apprentice clause drafted by the ACTU and the ACCI and approved by the Commission in 2000.248 The model clause defines a school-based apprentice as a person who is ‘undertaking an apprenticeship … while also undertaking a course of secondary education’.249

2.2 Data sources and limitations

2.2.1 National Centre for Vocational Education Research

NCVER publishes data on the number of people undergoing regulated training. The NCVER database on apprentices and trainees, called the National Apprentice and Trainee Collection, contains data from various NCVER collections obtained from administrative reporting by state and territory training authorities. The most recent complete year for which NCVER data are currently available is 2009. NCVER’s annual publication, Australian vocational education & training statistics is also utilised because it provides further information, such as completion and attrition rates.

The data from the National Apprentice and Trainee Collection are published on a quarterly basis. In this report, for each training contract status, except for in-training, estimates for each year are reproduced as the sum of the four quarters. Only the figure at the end of each year is reported for in-training as a point-in-time measure.

NCVER reports estimated data for the most recent quarters, due to lags in reporting. These estimates are based on historical reporting lags. Each year NCVER reviews these estimates to validate their robustness.

Completion and attrition rates are calculated by tracking each contract from its commencement. If two or more contracts are commenced by an individual in the same year, each is counted separately. Neither completion nor attrition rates include continuing contracts or expired contracts where the outcome is unknown.250 Therefore, completion or attrition rates will not sum to 100 per cent.

An approximate measure of apprenticeships used by NCVER is the ANZSCO (2006) Major Group 3—Technicians and trades workers. Conversely, an approximate measure of traineeships is to use the remaining ANZSCO Major Groups (that is, Major Groups 1–2 and 4–8). A comparison over time is possible with this approach as NCVER has back-cast ANZSCO over historical data to the September quarter 1994 based on current ANZSCO usage, training package and ASCO data previously collected. It must be noted that this definition is an approximation and may not capture all apprentices, while also capturing some who are not apprentices.

2.2.2 Australian Bureau of Statistics

The 2009 ABS SEW contains data on apprentices and trainees regarding their demographic characteristics and educational participation and attainment. In contrast to the NCVER administrative data, which are collected from state and territory training authorities, data from the SEW are collected from a survey of around 30 000 households.

249 School-based apprentice model clause attached to various modern awards—cl. A.1.
The SEW is a household survey in which only one member of the household being surveyed is asked to provide a response. Apprentices are identified by responses to particular questions specifically pertaining to the Australian Apprenticeship Scheme.

The sample size of the survey may also be problematic for analysis at the disaggregated level. Apprentices comprise only a small proportion of total employment, so the number of apprentices identified in a survey of 30,000 households may be too small to provide reliable results.

Another challenge with interrogating the data is that the ABS has changed the definition of apprentice in recent years, which potentially creates problems in time-series analysis. In previous years, only persons aged 15–54 years were included in the apprenticeship/traineeship survey questions. In 2008, the age scope was extended to include persons aged 55–64 years for these questions, and in 2009, the age scope was further extended to include persons aged 65–74. The effect of this expansion is likely to be minor, as persons aged 55–64 and 65–74 represent only a small proportion of apprentices. However, as this definition has changed over the years, direct comparisons may not be possible and therefore only data for 2009 is included in this report. Similarly, changes to definitions of occupations and industries mean that data prior to 2007 are not directly comparable to 2009 data.

In the 2007 SEW (Confidentialised Unit Record File), it is possible to separate apprentices and trainees. There are potential problems analysing the 2009 SEW CURF, however, as apprentices and trainees in the latest survey are grouped together. In order to analyse only apprentices, a special data request was submitted to the ABS to create a new dataset that separates apprentices and trainees. When the NCVER method of approximation for apprentices (those employed in the ANZSCO Major Group 3—Technicians and trades workers) is applied to the 2007 SEW CURF, the authors estimate that around 3 per cent of this measure consists of trainees, while around 7 per cent of apprentices in other occupations are missed.

### 2.3 Overview of aggregate apprentices’ data, 2009

Table 2.1 provides an overview of apprentices in 2009 using the NCVER data and training contract statuses for apprentices. In the 12 months ending 31 December 2009, there were 78,067 contract commencements. More apprentices cancelled or withdrew from their training contract (50,606) than the number who completed their training arrangements (46,540) and there were 197,959 apprentices in training as at 31 December 2009. Around 15 per cent of apprenticeships were commenced by existing workers, who are workers that had been employed by their current employer for more than three months prior to commencing their training contract. 251

#### Table 2.1: Number of apprentices by training contract status, 12 months ending 31 December 2009

<table>
<thead>
<tr>
<th>Contract status</th>
<th>Number of apprentices</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commencements</td>
<td>78,067</td>
</tr>
<tr>
<td>Completions</td>
<td>46,540</td>
</tr>
<tr>
<td>Attrition</td>
<td>50,606</td>
</tr>
<tr>
<td>In-training, as at 31 December 2009</td>
<td>197,959</td>
</tr>
</tbody>
</table>

Source: NCVER, National Apprentice and Trainee Collection, no. 65 September 2010 estimates.

Note: Attrition is equal to the number of cancellations and withdrawals.

The ABS most recently estimated 163,000 apprentices in May 2009. Of these, 57,700 (35 per cent) had commenced their apprenticeship in the previous 12 months. The ABS also estimated that around 138,500 of apprentices were male (85 per cent) and around 149,000 (91 per cent) were employed on a full-time basis.

### 2.4 Historical trends of apprentices, 1999–2009

Trends in the number of apprentices over the 10-year period to the 12 months ending 31 December 2009 were noticeably affected by falls across most training contract statuses in 2009, as there was relatively strong growth to 2008.

Chart 2.1 is a times series of the training contracts statuses that are used by NCVER. The trend appears to follow the business cycle, with an increase in commencements from 2002 and then a fall in 2009. The increase in completions from 2006 is most likely due to the increase in commencements from 2002.

Between 2000 and 2009, the number of attrition occurrences was greater than the number who completed their training across each year. In 2005, over 36 per cent more apprentices lapsed their training than completed their training. In 2009, this had fallen to around 9 per cent.

Commencements increased by an annual average of 4 per cent over the 10 years to the 12 months ending 31 December 2009. This compares with an increase of 6 per cent for completions and 7 per cent for attrition.

**Chart 2.1: Number of apprentices by training contract status, 12 months ending 31 December, 1999–2009**

Source: NCVER, National Apprentice and Trainee Collection, no. 65, September 2010 estimates.

Chart 2.2 shows the percentage changes across each training contract status over the 10 years to the 12 months ending 31 December 2009. A fall in commencements in 2000 and 2001 contributed to a fall in completions in 2004, as did a relatively high growth in attrition in 2003. An increase in commencements in 2002 contributed to an increase in completions in 2006.
Chart 2.2: Number of apprentices by training contract status, annual growth rates, 12 months ending 31 December, 1999–2009

Chart 2.3 shows the number of apprentices in-training as at 31 December of each year. Over the period, the number of apprentices in-training increased, especially between 2001 and 2008, before a fall in the number of apprentices in-training in 2009.

Chart 2.3: Number of apprentices in-training, as at 31 December, 1999–2009

NCVER also produces cohort data on completion and attrition rates, by tracking contract commencements for a particular year. As apprenticeships normally take a number of years to complete, reliable data are currently available only for the years 2002 to 2005 cohorts. While further time series analysis is unavailable, the outcomes across the years were quite similar, as illustrated by Table 2.2. Around 45 to 46 per cent of apprentices completed...
their training, while the attrition rate was relatively stable at around 49 to 50 per cent across the years. The remaining apprentices were either continuing with their apprenticeship or their outcomes were unknown.

Completion rates have been estimated previously. Ball and John252 estimated completion rates for ‘traditional apprenticeships’ commenced in 1999 that led to a qualification. They found that around 60 per cent of apprentices who commenced their contracts in 1999 had completed them as compared with around 71 per cent of apprentices who had commenced their contracts in 1995. The completion of single contracts declined from 65 per cent for 1995 commencements to 52 per cent for 1999 commencements.253

Table 2.2: Completion and attrition rates, 2002–2005

<table>
<thead>
<tr>
<th></th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Completion rate (Per cent)</td>
<td>45.7</td>
<td>44.5</td>
<td>45.8</td>
<td>45.6</td>
</tr>
<tr>
<td>Attrition rate (Per cent)</td>
<td>48.8</td>
<td>50.2</td>
<td>49.4</td>
<td>49.3</td>
</tr>
<tr>
<td>Continuing or outcome unknown (Per cent)</td>
<td>5.5</td>
<td>5.3</td>
<td>4.8</td>
<td>5.1</td>
</tr>
</tbody>
</table>


Data is also produced for attrition rates for contracts of training that were commenced within 12 months. Table 2.3 shows that around 32 per cent of training arrangements commenced in 2008 were lapsed within 12 months, higher than the 28 per cent recorded for commencements in 2001. Around 60 per cent of the overall number of attrition for people commencing apprenticeships in those years occurred within the first 12 months in the years 2002 to 2005.

Table 2.3: Attrition rates within 12 months of commencement, 2001–2008

<table>
<thead>
<tr>
<th>Year of commencement</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attrition rate (Per cent)</td>
<td>27.8</td>
<td>29.1</td>
<td>31.0</td>
<td>29.7</td>
<td>30.0</td>
<td>30.3</td>
<td>31.6</td>
<td>32.2</td>
</tr>
</tbody>
</table>


Chart 2.4 demonstrates that patterns in apprentice commencements varied across the states and territories between the 12 months ending 31 December 1999 and the 12 months ending 31 December 2009. Growth in commencements increased across most states and territories from 2002. In 2002, the highest growth in the number of commencements was in Victoria, which increased by almost 40 per cent, however the number of commencements for most years after that were below that recorded in 2002. Most jurisdictions, except for Victoria, had relatively strong growth in commencements in 2003 and 2004.

Average annual growth254 in commencements was highest in Queensland and Western Australia between 1999 and 2008, before falling relatively strongly in both states in 2009 (~17 per cent in Queensland and ~13 per cent in Western Australia, both below the nationwide average of ~10 per cent). Between 1999 and 2009, the proportion of total commencements increased mainly in Western Australia, which was offset by modest falls across most jurisdictions. Queensland overtook Victoria and had the second highest number of total commencements in 2006 and 2007 before falling in the following two years (see Appendix 1 for data on apprentices by jurisdiction).

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252 An approximation of apprentices developed by NCVER based on occupation, the expected duration of the training being more than two years for full-time contracts and at the AQF Certificate III level or above. It is approximately equal to the ANZSCO Major Group 3 category of Technicians and trades workers. The most recent definition does not consider duration or AQF level.


254 Average annual growth rates are calculated \[\frac{(N_T - N_0)}{N_0} \times \frac{1}{T} \times 100\] , where N equals the number of apprentices and T equals the year.
There were two periods of relatively strong growth in the number of completions over the 10 years to the 12 months ending 31 December 2009. The first period was 2002–2003, mainly due to increases in Victoria. The second period was from 2006 to 2008, when the number of completions increased relatively strongly across most states and territories, especially Queensland, Western Australia and Tasmania. Between 2007 and 2009, Queensland had either the highest or second highest number of completions, overtaking Victoria, but also offsetting a fall in the number of completions in New South Wales. Over the 10 years to 2009, Western Australia and Queensland (both 8 per cent) had the highest average annual growth rates in completions.

Average annual growth rates in counts of attrition were, in most jurisdictions, higher than commencements, and completions, over the 10 years to the 12 months ending 31 December 2009. Growth was highest in Tasmania, Western Australia and Queensland.

Growth in the number of apprentices in-training between 1999 and 2002 was mainly driven by increases in Victoria. However, between 2002 and 2007, higher growth rates were recorded in Queensland and Western Australia, as well as Tasmania and the Northern Territory. In 2007, Queensland overtook Victoria to have the second highest number of apprentices in-training, behind New South Wales. In 2009, most states and territories recorded falls in the number of apprentices in-training, of which the highest percentage falls were in Queensland (–11 per cent) and South Australia (–8 per cent).
2.5 Disaggregated characteristics of apprentices

This section divides the characteristics data of apprentices into several components, analysing their historical and more recent trends. In the 2009 report, *Apprenticeships and traineeships in the downturn*, NCVER stated that ‘it is important to think about apprenticeships and traineeships at a disaggregated level’. As apprentices are not equally distributed across the labour market, an in-depth analysis can identify the areas of the labour market in which they are located and which areas have experienced change over time. The components are:

- occupation;
- industry;
- age;
- gender;
- full time/part time status;
- previous highest educational attainment; and
- school-based apprentices.

Some characteristics of apprentices feature prominently. Apprentice commencements are overwhelmingly male, comprising around 83 per cent of commencements in the 12 months ending 31 December 2009 according to NCVER, a proportion that has remained relatively steady over the preceding 10 years. ABS data estimated around 85 per cent of apprentices were male in May 2009. Proportions of completions, attrition and in-training were similarly weighted towards males.

Most apprentice commencements are also employed full-time. NCVER estimated around 90 per cent of apprentice commencements were full time in the 12 months ending 31 December 2009, having steadily fallen from 98 per cent in 1999. A likely contributor to this was the increase in school-based apprenticeships. The ABS estimated around 91 per cent of apprenticeships were full time in May 2009.

According to NCVER data, each training contract status was heavily skewed towards the AQF Certificate level III, with around 90 per cent of commencements and over 95 per cent of completions, attrition and in-training at the Certificate level III in the 12 months ending 31 December 2009.

Two datasets are analysed in this chapter as there is no ‘agreed’ definition of an apprentice or method of reporting the demographics of apprentices. As explained in the definitions section, sourcing two datasets with different methodologies can result in inconsistent findings. For example, NCVER reports its information across all four quarters of each year on a cumulative basis. This differs from the ABS, who collect data in only one month of each year. NCVER reports any apprentices that sign a contract of training. The ABS does not include school-based apprentices.

Table 2.4 compares the disaggregated characteristics of apprentices in-training according to estimations reported by NCVER with estimations from the ABS. While this report analyses the number of apprentices in-training as at 31 December from NCVER, Table 2.4 also reports NCVER estimates as at 30 June 2009 to compare with the May 2009 estimates from the ABS. ABS estimates are generally lower than those of NCVER, whose estimates for both quarters are over 20 per cent higher than the ABS estimate of 163 000, and over 30 per cent when comparing the NCVER definition of the ANZSCO 2006 Major Group 3—Technicians and trades workers. The larger discrepancies between the findings are located in particular characteristics: males, full time, 21 years and above, Victoria and Queensland.

---

Table 2.4: Comparison of ABS and NCVER estimates, number of apprentices

<table>
<thead>
<tr>
<th></th>
<th>ABS May 2009 ('000s)</th>
<th>NCVER as at 30 Jun 2009 ('000s)</th>
<th>NCVER as at 31 Dec 2009 ('000s)</th>
<th>% Difference (ABS and NCVER Jun)</th>
<th>% Difference (ABS and NCVER Dec)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>163.0</td>
<td>203.6</td>
<td>198.0</td>
<td>24.9</td>
<td>21.4</td>
</tr>
<tr>
<td>Male</td>
<td>138.5</td>
<td>214.1</td>
<td>212.9</td>
<td>54.6</td>
<td>53.8</td>
</tr>
<tr>
<td>Female</td>
<td>24.6</td>
<td>32.6</td>
<td>34.0</td>
<td>32.5</td>
<td>38.1</td>
</tr>
<tr>
<td>Full time</td>
<td>149</td>
<td>229.9</td>
<td>229.5</td>
<td>54.3</td>
<td>54.0</td>
</tr>
<tr>
<td>Part time</td>
<td>14</td>
<td>16.6</td>
<td>17.4</td>
<td>18.7</td>
<td>24.3</td>
</tr>
<tr>
<td>Jurisdiction</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NSW</td>
<td>53.9</td>
<td>69.1</td>
<td>71.7</td>
<td>28.2</td>
<td>33.0</td>
</tr>
<tr>
<td>VIC</td>
<td>38.8</td>
<td>62.1</td>
<td>62.0</td>
<td>73.4</td>
<td>73.0</td>
</tr>
<tr>
<td>QLD</td>
<td>31.9</td>
<td>58.5</td>
<td>57.3</td>
<td>83.3</td>
<td>79.6</td>
</tr>
<tr>
<td>SA</td>
<td>12.3</td>
<td>16.1</td>
<td>16.0</td>
<td>30.9</td>
<td>29.8</td>
</tr>
<tr>
<td>WA</td>
<td>19.3</td>
<td>27.4</td>
<td>26.6</td>
<td>42.1</td>
<td>37.8</td>
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<td>TAS</td>
<td>6.0</td>
<td>7.0</td>
<td>6.8</td>
<td>16.4</td>
<td>13.6</td>
</tr>
<tr>
<td>NT</td>
<td>*1.9</td>
<td>2.6</td>
<td>2.6</td>
<td>37.4</td>
<td>34.4</td>
</tr>
<tr>
<td>ACT</td>
<td>np</td>
<td>3.9</td>
<td>4.0</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Selected industries</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction</td>
<td>69.7</td>
<td>76.9</td>
<td>78.0</td>
<td>10.4</td>
<td>11.8</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>23.9</td>
<td>36.5</td>
<td>36.4</td>
<td>52.7</td>
<td>52.4</td>
</tr>
<tr>
<td>Other services</td>
<td>27.5</td>
<td>34.7</td>
<td>34.8</td>
<td>26.2</td>
<td>26.7</td>
</tr>
<tr>
<td>Accommodation#</td>
<td>10.5</td>
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<td>13.8</td>
<td>26.9</td>
<td>31.8</td>
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<tr>
<td>Occupation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Technicians and trades workers</td>
<td>150.5</td>
<td>203.6</td>
<td>198.0</td>
<td>35.3</td>
<td>31.5</td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>*2.7</td>
<td>2.6</td>
<td>2.7</td>
<td>-3.6</td>
<td>0.8</td>
</tr>
<tr>
<td>16</td>
<td>np</td>
<td>11.1</td>
<td>10.0</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>17</td>
<td>12.0</td>
<td>21.8</td>
<td>21.3</td>
<td>81.3</td>
<td>77.2</td>
</tr>
<tr>
<td>18</td>
<td>26.7</td>
<td>32.4</td>
<td>30.2</td>
<td>21.3</td>
<td>13.1</td>
</tr>
<tr>
<td>19</td>
<td>32.3</td>
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<td>35.4</td>
<td>9.8</td>
<td>9.5</td>
</tr>
<tr>
<td>20</td>
<td>25.3</td>
<td>31.0</td>
<td>31.8</td>
<td>22.6</td>
<td>25.9</td>
</tr>
<tr>
<td>21-24</td>
<td>31.9</td>
<td>56.4</td>
<td>57.7</td>
<td>76.8</td>
<td>80.9</td>
</tr>
<tr>
<td>25-29</td>
<td>13.7</td>
<td>21.5</td>
<td>20.9</td>
<td>57.1</td>
<td>52.5</td>
</tr>
<tr>
<td>30-34</td>
<td>*5.2</td>
<td>11.4</td>
<td>11.8</td>
<td>120.1</td>
<td>126.5</td>
</tr>
<tr>
<td>35-39</td>
<td>*5.1</td>
<td>8.2</td>
<td>8.7</td>
<td>61.6</td>
<td>71.1</td>
</tr>
<tr>
<td>40-44</td>
<td>**1.3</td>
<td>5.6</td>
<td>5.9</td>
<td>329.4</td>
<td>357.0</td>
</tr>
<tr>
<td>45-49</td>
<td>np</td>
<td>4.2</td>
<td>4.7</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>50+</td>
<td>*1.9</td>
<td>4.7</td>
<td>5.5</td>
<td>148.2</td>
<td>190.2</td>
</tr>
</tbody>
</table>

Source: ABS, 2009, Education and Work, Australia, May 2009, Catalogue No. 6227.0, data request; and NCVER, National Apprentice and Trainee Collection, no. 65, September 2010 estimates.

Note: * estimate has a relative standard error of 25 per cent to 50 per cent and should be used with caution.
** estimate has a relative standard error greater than 50 per cent and is considered too unreliable for general use.
# similar to ‘Accommodation and Food Services’ in ANZSIC.
np Not available for publication.
Age categories based on data received from ABS.
2.5.1 Occupation

The ANZSCO 2006 Major Group 3—Technicians and trades workers, is used by NCVER to approximately identify apprentices, and this section analyses this occupation category at the more detailed 2-digit classification level. Appendix 1 contains tables for occupations up to the more detailed 6-digit level.

Table 2.5 lists the occupations at the ANZSCO 2-digit level and examples of the types of workers contained within each occupation.

Table 2.5: Types of workers within ANZSCO occupations

<table>
<thead>
<tr>
<th>ANZSCO Title</th>
<th>Examples of occupations</th>
</tr>
</thead>
<tbody>
<tr>
<td>31 Engineering, ICT and science technicians</td>
<td>Medical technician, Building inspector, Draftsperson, Web administrator, Radiocommunications technician</td>
</tr>
<tr>
<td>32 Automotive and engineering trades workers</td>
<td>Motor mechanic, Blacksmith, Metal fabricator, Aircraft Maintenance engineer, Toolmaker, Panelbeater</td>
</tr>
<tr>
<td>33 Construction trades workers</td>
<td>Bricklayer, Carpenter, Glazier, Roof tiler, Plumber</td>
</tr>
<tr>
<td>34 Electrotechnology and telecommunications trades workers</td>
<td>Electrician, Communications operator, Telecommunications cable jointer</td>
</tr>
<tr>
<td>35 Food trades workers</td>
<td>Baker, Butcher, Chef, Cook</td>
</tr>
<tr>
<td>36 Skilled animal and horticultural workers</td>
<td>Horse trainer, Pet groomer, Veterinary nurses, Florist, Gardener</td>
</tr>
<tr>
<td>39 Other technicians and trades workers</td>
<td>Hairdresser, Dressmaker, Tailor, Cabinetmaker, Jeweller, Makeup artist, Interior decorator</td>
</tr>
</tbody>
</table>


Chart 2.5 demonstrates that commencements in the 12 months ending 31 December 2009 were relatively high in Construction trades workers (17,307), Automotive and engineering trades workers (16,956) and Other technicians and trades workers (16,785). Together, these occupations comprised over 65 per cent of all apprenticeship commencements in 2009.

Chart 2.5: Number of commencements by occupation, 12 months ending 31 December 2009

Source: NCVER, National Apprentice and Trainee Collection, no. 65, September 2010 estimates.
Chart 2.6 shows that the two occupation groups with the highest number of commencements over the 10-year period to the 12 months ending 31 December 2009 were Construction trade workers and Automotive and engineering trade workers. The number of commencements in both occupation groups increased significantly from 2002 before a fall in the number of commencements in 2009 for both of these occupation groups, contributing to the overall fall in commencements. Commencements increased by a relatively high 39 per cent in Other technicians and trades workers in 2009, mainly due to an increase in Miscellaneous technicians and trades workers.\textsuperscript{256}

The temporary increase in Engineering, ICT and science technicians commencements in 2002 and 2003 occurred mainly in Victoria. Skills Victoria provided one possible explanation for this spike, being the result of an RTO signing on a number of workers into apprenticeship contracts. Skills Victoria also reported that a number of these contracts were not ultimately registered and a number were later cancelled.

The falls in commencements in 2009 were relatively large for Automotive and engineering trades workers, Construction trades workers and Electrotechnology and telecommunications trades workers, decreasing by over 20 per cent. The occupations with the highest average annual increases over the 10 years to 2009 were Other technicians and trades workers (7 per cent); Skilled animal and horticultural workers; Engineering, ICT and science technicians; and Electrotechnology and telecommunications trades workers (all 5 per cent).

While commencements in Construction trades workers increased across all states and territories, increases in Automotive and engineering trades workers were largely due to an increase in Western Australia.

\textbf{Chart 2.6: Number of commencements by occupation, 12 months ending 31 December 2009}

\textsuperscript{256} Miscellaneous technicians and trades workers is an occupation category at the 3-digit ANZSCO level. In 2008 there were 3409 commencements and in 2009 there were 9099. Examples of occupations in this category include Chemical plant operator, Library technician, Jeweller, Makeup artist, Diver and Interior decorator. However, at the 6-digit level, Miscellaneous technicians and trades workers not further defined increased from 278 commencements in 2008 to 6081 in 2009.
In the 12 months ending 31 December 2009, Automotive and engineering trades workers (12 797) and Construction trades workers (11 717) had the highest number of completions (Chart 2.7). Together they comprised around 53 per cent of all completions in 2009.

Chart 2.7: Number of completions by occupation, 12 months ending 31 December 2009

As shown in Chart 2.8, the number of completions increased rapidly from 2005, most likely as commencements increased from 2002. The rise in completions is most evident in Automotive and engineering trades workers; Construction trades workers; and Electrotechnology and telecommunications trades workers. As a result, these three occupations had the highest number of completions in 2009.

There was an increase in the number of completions across all occupations over the 10 years to 12 months ending 31 December 2009. The highest increases, measured by average annual growth rates, were Skilled animal and horticultural workers (10 per cent); Construction trades workers (9 per cent); and Electrotechnology and telecommunications trades workers (8 per cent).

Completions in Construction trades workers increased across all states and territories, while completions in Automotive and engineering trades workers and Electrotechnology and telecommunications trades workers increased by relatively large percentages in both Queensland and Western Australia.

Source: NCVER, National Apprentice and Trainee Collection, no. 65, September 2010 estimates.
Attrition was highest in Construction trades workers (14,052) and Automotive and engineering trades workers (11,124) in the 12 months ending 31 December 2009, as illustrated by Chart 2.9. Compared with numbers of apprentice commencements in 2009, Food trades workers had a relatively high number of attrition occurrences (8,801), while Electrotechnology and telecommunications trades workers had a relatively low number (5,311).

Source: NCVER, National Apprentice and Trainee Collection, no. 65, September 2010 estimates.
Chart 2.10 shows that attrition increased from 2003 across most occupations, as expected given the increase in commencements, and then fell in the 12 months ending 31 December 2009. Construction trades workers and Automotive and engineering trades workers had the highest number of attrition occurrences between 2004 and 2009. Attrition was relatively high in Engineering, ICT and science technicians in 2003, after a large increase in commencements in 2002. Average annual growth in the number of attrition occurrences was relatively high in Skilled animal and horticultural workers (11 per cent), Electrotechnology and telecommunications trades workers and Construction trades workers (both 10 per cent).

Chart 2.10: Number of attrition occurrences by occupation, 12 months ending 31 December, 1999–2009

As at 31 December 2009, Construction trades workers (52 104) and Automotive and engineering trades workers (52 091) had the highest number of apprentices in-training (Chart 2.11).

ABS estimates found 28 400 apprentices in Electrotechnology and telecommunications trades workers, compared with 33 393 in the NCVER estimates in 2009 (or 35 064 as at 30 June 2009).
Australian apprentice minimum wages in the national system

Chart 2.11: Number of apprentices in-training by occupation, as at 31 December 2009

Automotive and engineering trades workers and Construction trades workers consistently had the highest number of apprentices in-training (Chart 2.12). Both these occupations, as well as Electrotechnology and telecommunications trades workers, followed the trend of the total number of apprentices in-training by increasing after 2002 and falling in 2009. The occupations that had an increase in the number of apprentices in-training in 2009 were Engineering, ICT and science technicians, Food trades workers and Other technicians and trades workers.

Over the 10 years to 31 December 2009, the highest average annual increases in the number of apprentices in-training were in Electrotechnology and telecommunications trades workers (8 per cent); and Construction trades workers (7 per cent).

The increases in the number of apprentices in-training for Engineering, ICT and science technicians; Automotive and engineering trades workers; Electrotechnology and telecommunications trades workers; and Other technicians and trades workers were affected by increases in Queensland and Western Australia.

Source: NCVER, National Apprentice and Trainee Collection, no. 65, September 2010 estimates.
NCVER publishes training rates, or the number of apprentices as a proportion of employed persons. Chart 2.13 shows the change in these rates between 1999 and 2009 for all apprentices; occupations at the two-digit level; and Hairdressers. Total apprentice training rates increased from 9 per cent in 1999 to 12 per cent in 2009. Relatively high increases occurred in Construction trades workers and Electrotechnology and telecommunications trades workers. The highest training rates was for Hairdressers, a three-digit occupation within Other technicians and trades workers, and the lowest training rates was for Engineering, ICT and science technicians.

Note: NCVER training rates are derived by calculating the number of apprentices and trainees (aged 15 years and over) in-training as at 31 December (NCVER data) as a percentage of employed persons (aged 15 years and over) as at December using data from the ABS Labour Force survey; ABS, Labour force, Australia, Detailed—Electronic Delivery, March 2010, Catalogue No. 6291.0.55.001; and ABS, Labour force, Australia, Detailed, Quarterly, February 2010, Catalogue No. 6291.0.55.003.

Completion rates by occupation are also produced by NCVER, with similar outcomes occurring across the period from 2002 to 2005 for most occupations (see Table 2.6 below). The marked difference for completion rates for Engineering, ICT and science technicians between 2002–2003 and 2004–2005 are likely caused by the spike in commencements in this occupation in 2002 and 2003.

Apart from Engineering, ICT and science technicians, Electrotechnology and telecommunications trades workers; and Automotive and engineer trades workers had the highest completion rates across both years, both at over 50 per cent. Food trades workers and Other technicians and trades workers had the lowest completion rates, although within this ANZSCO grouping the three-digit occupation Printing trades workers had relatively high completion rates (also over 50 per cent).

Reporting of subsequent years is not yet possible as there is still a significant number in-training.

Table 2.6: Contract completion rates by occupation for contracts commencing 2002–2005 (per cent)

<table>
<thead>
<tr>
<th>Occupation</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>31 Engineering, ICT and science technicians</td>
<td>37.3</td>
<td>31.8</td>
<td>57.7</td>
<td>60.8</td>
</tr>
<tr>
<td>32 Automotive and engineering trades workers</td>
<td>54.7</td>
<td>52.1</td>
<td>51.9</td>
<td>51.3</td>
</tr>
<tr>
<td>33 Construction trades workers</td>
<td>46.7</td>
<td>44.9</td>
<td>44.9</td>
<td>45.3</td>
</tr>
<tr>
<td>34 Electrotechnology and telecommunications trades workers</td>
<td>56.5</td>
<td>55.8</td>
<td>56.7</td>
<td>53.6</td>
</tr>
<tr>
<td>35 Food trades workers</td>
<td>28.0</td>
<td>28.1</td>
<td>28.0</td>
<td>27.7</td>
</tr>
<tr>
<td>36 Skilled animal and horticultural workers</td>
<td>52.3</td>
<td>53.5</td>
<td>49.1</td>
<td>48.3</td>
</tr>
<tr>
<td>39 Other technicians and trades workers</td>
<td>45.2</td>
<td>43.6</td>
<td>41.9</td>
<td>41.3</td>
</tr>
<tr>
<td>Total</td>
<td>45.7</td>
<td>44.5</td>
<td>45.8</td>
<td>45.6</td>
</tr>
</tbody>
</table>


Note: Completion rates have been derived. If an individual commenced two or more contracts in the same year, each is counted separately. These rates do not take into account continuing contracts or expired contracts where the outcome is unknown.

Attrition rates between 2002 and 2005 for Engineering, ICT and science technicians were also affected by the increase in commencements and attrition occurrences in 2002 and 2003. Attrition rates were higher in 2002 and 2003 than in 2004 and 2005.

Table 2.7 shows that between 2002 and 2005, Food trades workers and Other technicians and trades workers had the highest attrition rates. The three-digit occupations within the Other technicians and trades workers group that had relatively high attrition rates were Hairdressers (around 60 per cent) and Wood trades workers (50 per cent). The occupation with the lowest attrition rate across the whole period was Electrotechnology and telecommunications trades workers, at below 40 per cent.
Table 2.7: Contract attrition rates by occupation for contracts commencing 2002–2005 (per cent)

<table>
<thead>
<tr>
<th>Occupation</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>31 Engineering, ICT and science technicians</td>
<td>57.2</td>
<td>61.2</td>
<td>34.2</td>
<td>32.6</td>
</tr>
<tr>
<td>32 Automotive and engineering trades workers</td>
<td>41.6</td>
<td>44.3</td>
<td>44.9</td>
<td>45.2</td>
</tr>
<tr>
<td>33 Construction trades workers</td>
<td>46.9</td>
<td>49.4</td>
<td>49.9</td>
<td>49.6</td>
</tr>
<tr>
<td>34 Electrotechnology and telecommunications trades workers</td>
<td>38.4</td>
<td>38.6</td>
<td>38.1</td>
<td>39.3</td>
</tr>
<tr>
<td>35 Food trades workers</td>
<td>65.0</td>
<td>65.4</td>
<td>66.1</td>
<td>66.3</td>
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<tr>
<td>36 Skilled animal and horticultural workers</td>
<td>40.1</td>
<td>39.1</td>
<td>43.6</td>
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<td>Total</td>
<td>48.8</td>
<td>50.2</td>
<td>49.4</td>
<td>49.3</td>
</tr>
</tbody>
</table>


Note: Attrition rates have been derived. These rates do not take into account continuing contracts or expired contracts where the outcome is unknown.

2.5.2 Industry

Another characteristic which we can analyse is the industries which employ apprentices. An industry approach is worthwhile given that modern awards are largely set according to industry rather than by occupation (meaning that apprentices, terms and conditions of employment can vary depending on which industry they are in rather than occupation—see Chapter 3 for further discussion). Data collected by NCVER for apprentices by industry use Australian and New Zealand Standard Industrial Classification (ANZSIC) classifications. As a relatively large proportion of apprentices were categorised as ‘Not Known’ in the first two quarters of 2002 compared with other years, time-series analysis begins from 2003. A time series of apprentices by industry is located in Appendix 1.

Chart 2.14 demonstrates that Construction (21 089) had the highest number of commencements in the 12 months ending 31 December 2009, at around 27 per cent of all commencements, while Manufacturing (13 411) and Other services257 (10 635) also had a relatively high number of commencements. Commencements fell across most industries in 2009, however, the number of commencements in Mining increased by over 40 per cent.

Construction, Other services and Manufacturing had the highest number of commencements across each year, comprising almost 60 per cent of all commencements in the 12 months ending 31 December 2009. Mining (26 per cent) and Health care and social assistance (16 per cent) had the highest average annual growth rates between 2003 and 2009, although both from relatively low bases.

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257 Examples of industries within Other services include Automotive repair and maintenance and Personal care services.
In the 12 months ending 31 December 2009, over one quarter of completions occurred in Construction (12 883), while a further 40 per cent occurred in Manufacturing (7109); Other services (6667); and Administrative and support services (4838).

Completions across most industries increased in 2009 compared with the previous year, especially in Health care and social assistance (143 per cent); Agriculture, forestry and fishing (59 per cent); and Professional, scientific and technical services (22 per cent) (Chart 2.15).

Chart 2.15: Number of completions by industry, 12 months ending 31 December 2009

Source: NCVER, National Apprentice and Trainee Collection, no. 65, September 2010 estimates.

Chart 2.16 shows that Construction (14 659) and Other services (8950) had the highest number of attrition occurrences in the 12 months ending 31 December 2009, combining to account for around 47 per cent of attrition across all industries. Manufacturing (6204); Accommodation (5415); and Administrative and support services (5339) also had relatively high numbers of attrition.

Between 2003 and 2009, the numbers of attrition increased across most industries, with relatively high average annual growth rates in Arts and recreation services (19 per cent); Electricity, gas, water and waste services (16 per cent); and Construction (13 per cent).
Chart 2.16: Number of attrition occurrences by industry, 12 months ending 31 December 2009

Source: NCVER, National Apprentice and Trainee Collection, no. 65, September 2010 estimates.

Chart 2.17 shows that the industry with the highest number of apprentices in-training according to NCVER estimates as at 31 December 2009 was Construction (63,474), which comprised almost one-third of all apprentices in-training. Manufacturing (29,715) and Other services (26,999) also had a relatively high number of apprentices in-training in 2009. These were also the same industries that the ABS estimated as having the highest number of apprentices. The ranking for those industries, according to the ABS, was Construction (69,700), Other services (27,500), and Manufacturing (23,900).

Construction, Other services and Manufacturing had the highest number of apprentices in-training in each year between 2003 and 2009.258 Across each year, these industries comprised almost 60 per cent of all apprentices in-training. Over the period, average annual growth rates were highest in Mining (21 per cent) and Health care and social assistance (20 per cent), both from relatively low bases.

Chart 2.17: Number of apprentices in-training by industry, as at 31 December 2009

Source: NCVER, National Apprentice and Trainee Collection, no. 65, September 2010 estimates.

258 Apprentice time-series tables are in Appendix 1.
2.5.3 Age

Over 62 per cent of commencements were by apprentices aged 20 years and under, with 17 years (11 825), 18 years (11 617) and 16 years (9 986) the most common ages. Chart 2.18 illustrates that commencements were further weighted towards the younger ages than completion and attrition in the 12 months ending 31 December 2009, though with a higher proportion in the older ages. Between 2008 and 2009, the number of commencements fell for apprentices across most ages 30 years and under, and increased for all other ages.

The age distribution for completions is different to commencements as they tend to occur at an older age. This is expected as the duration of apprenticeships tends to be around four years. Around 27 per cent of completions were for apprentices aged 20 years and under in 2009 and around half occurred for apprentices aged 21 to 25 years. The most common ages to complete an apprenticeship in 2009 were 21 years (8 335), 20 years (7 269) and 22 years (7 244).

Attrition also fell across most ages under 30, and increased for most of the older ages in the 12 months ending 31 December 2009. The increase in attrition in the older ages can be attributed to the higher number commencing an apprenticeship. Attrition was highest among 18 years (8 426), 19 years (7 767), 17 years (6 116) and 20 years (5 832).

Further time-series data according to age is available in Appendix 1.

Chart 2.18: Number of apprentices by age and training contract status, 12 months ending 31 December 2009

![Chart 2.18: Number of apprentices by age and training contract status, 12 months ending 31 December 2009](source)

Source: NCVER, National Apprentice and Trainee Collection, no. 65, September 2010 estimates.

Chart 2.19 shows the average annual growth rates in commencements for each age over the 10 years to the 12 months ending 31 December 2009. It is evident from the chart that growth has been higher for the older ages than for the younger ages, although it has grown from a much lower base. Over the 10 years to 2009, commencements increased by the highest average annual growth rate for the older age groups (22 years and above) and for 15-year-olds.
According to NCVER estimates, the number of apprentices in-training is heavily weighted towards those aged 20 years and under, who comprised over 50 per cent (105,504) of all apprentices in-training as at 31 December 2009. The highest numbers of apprentices in-training were those aged 19 years (29,880), 20 years (26,702) and 18 years (24,410). The ABS estimated that around 99,000 apprentices were aged 20 years and under in May 2009, with 19 years contributing the greatest number of apprentices (32,300). Chart 2.20 shows the distribution of apprentices in-training across ages.

In 2009, the largest percentage falls in the numbers of apprentices in-training were for 16, 17 and 18-year-olds (between 10 and 18 per cent), while the numbers in-training increased for those aged 28 years and above.
As discussed earlier in the chapter, adult apprentices are chiefly defined by modern awards to refer to persons who are 21 years of age or over at the time of entering into the contract of training in a specified trade.\textsuperscript{259} The following series of charts compares the number of adult apprentices with the number of junior apprentices.

For further analysis on apprentices by selected age groups, see Appendix 2.

There were more commencements among junior apprentices than adult apprentices between the 12 months ending 31 December 1999 and the 12 months ending 31 December 2009 and, while the numbers increased for both, the trends were different, as can be seen from Chart 2.21. Commencements for junior apprentices appeared somewhat to follow the business cycle, by decreasing between 1999 and 2001, then increasing to 2007 and falling to 2009. On the other hand, the number of adult apprentices was relatively stable between 1999 and 2001, and then increased to 2002 before again remaining relatively stable to 2006. The number then increased between 2006 and 2009. Average annual growth over the period was higher for adult apprentices (9 per cent) than for junior apprentices (1 per cent).

**Chart 2.21: Number of adult and junior apprenticeship commencements by age of commencement, 12 months ending 31 December, 1999–2009**

The following chart shows the number of adult apprentice commencements by occupation. It shows that there was a relatively large increase in commencements in Other technicians and trades workers in the 12 months ending 31 December 2009, which had the highest number of commencements for that year. Automotive and engineering trades workers had the highest number of commencements across most years between 1999 and 2009.

\textsuperscript{259} See for example, *Building, Engineering and Civil Construction Industry General On-site Award 2010* (MA000020) [Fed], cl. 3.
The number of junior apprenticeships by occupations is reported in Chart 2.23. Construction trades workers and Automotive and engineering trades workers consistently had the highest number of commencements between the 12 months ending 31 December 1999 and the 12 months ending 31 December 2009. Engineering, ICT and science technicians consistently had the lowest number of commencements over the period.
2.5.4 Gender

The number of commencements for males somewhat followed the business cycle, decreasing between 1999 and 2001, increasing to 2008 and then falling again in 2009 (Chart 2.24). Apart from an increase between 2001 and 2002, the number of female apprentice commencements increased only after 2006. The proportion of commencements that were female varied between 15 and 17 per cent over the period. Average annual growth between the 12 months ending 31 December 1999 and the 12 months ending 31 December 2009 was around 5 per cent for females and 3 per cent for males.

Chart 2.24: Number of commencements by gender, 12 months ending 31 December, 1999–2009

Source: NCVER, National Apprentice and Trainee Collection, no. 65, September 2010 estimates.

Chart 2.25 shows that the number of completions for both male and female apprentices increased relatively strongly after 2005, by an annual average of 12 per cent for males and 8 per cent of females. Before 2005, the number of completions remained relatively stable for both males and females, except for an increase between 2001 and 2003.

Chart 2.25: Number of completions by gender, 12 months ending 31 December, 1999–2009

Source: NCVER, National Apprentice and Trainee Collection, no. 65, September 2010 estimates.
Chart 2.26 demonstrates that attrition increased by a greater annual average rate for males (7 per cent) than females (5 per cent) between 1999 and 2009. The number of attrition occurrences peaked in 2008 for males and 2003 for females, while both experienced a fall in attrition occurrences in 2009.

The gender proportions of apprentices in-training remained relatively stable over the 10 years to 31 December 2009, with males accounting for around 87 per cent of apprentices in 2009 according to NCVER (see Chart 2.27). The increase between the genders was very similar over the 10-year period, with the number of females in-training increasing by an annual average of around 5 per cent and the number of males increasing by an annual average of around 4 per cent. ABS data estimated around 85 per cent of apprentices were male in May 2009.

Source: NCVER, National Apprentice and Trainee Collection, no. 65, September 2010 estimates.
Construction trades workers, Automotive and engineering trades workers and Electrotechnology and telecommunications trades workers had a relatively high proportion of male commencements over the period, each at around 98 per cent. Other technicians and trades workers contained the highest proportion of females within an occupation at 46 per cent in 2009 (refer to Chart 2.28 below). This was mainly due to the three-digit occupation Hairdressers, in which commencements for males were below 10 per cent in 2009.

The proportion of female apprentice commencements within occupations increased across most of the two-digit occupations between the 12 months ending 31 December 1999 and the 12 months ending 31 December 2009. The highest proportion of females within an occupation was Other technicians and trades workers in both 1999 and 2009.

Chart 2.28: Proportion of female apprentice commencements by occupation, 12 months ending 31 December 1999 compared with 12 months ending 31 December 2009

Chart 2.29 illustrates that industries that had a relatively high proportion of female commencements in the 12 months ending 31 December 2009 were Health care and social assistance (74 per cent); Other services (47 per cent); Arts and recreation services (35 per cent); and Accommodation (32 per cent). Rental, hiring and real estate services, Education and training and Financial and insurance services had relatively large falls in the proportion of females, however the changes are likely due to the relatively small number of apprentices in these industries.
Chart 2.29: Proportion of female apprentice commencements by industry, 12 months ending 31 December 2003 compared with 12 months ending 31 December 2009

The most common ages for apprentice commencements in the 12 months ending 31 December 2009 were 18 years for males and 17 years for females (Chart 2.30), although both ages were the most common commencement age for both males and females. This was consistent over the period 1999 to 2009.

Chart 2.30: Number of apprentice commencements by gender and age, 12 months ending 31 December 2009

Chart 2.31 shows that there were more junior apprentice commencements than adult apprentice commencements for both males and females between the 12 months ending 31 December 1999 and the 12 months ending 31 December 2009. However growth over the 10 years to 2009 averaged 9 per cent per year for both male and female adult apprentice commencements compared with 1 per cent per year for male junior apprentices and 2 per cent for female junior apprentices. The number of both male and female junior apprentice commencements fell in the 12 months ending 31 December 2009, while the number of adult male and female apprentice commencements increased.
2.5.5 Part-time apprentices

Full-time commencements fell from 98 per cent in the 12 months ending 31 December 1999 to 90 per cent in the 12 months ending 31 December 2009 (Chart 2.32). The trends for full-time commencements appeared to follow the business cycle. However, for part-time commencements, the number increased to 2008 before falling in 2009. A possible reason for the increase in the proportion of part-time apprentice commencements is the introduction of school-based apprenticeships.

Source: NCVER, National Apprentice and Trainee Collection, no. 65, September 2010 estimates.
Chart 2.33 demonstrates that the growth in the number of completions for part-time apprentices (13 per cent) grew by a greater annual average growth rate than for full-time apprentices (6 per cent), though from a much lower base. Completions for both full-time and part-time apprentices increased relatively strongly from 2005 (by an average of 11 per cent and 14 per cent per year, respectively).

**Chart 2.33: Number of completions by full-time and part-time, 12 months ending 31 December, 1999–2009**

Source: NCVER, National Apprentice and Trainee Collection, no. 65, September 2010 estimates.

Chart 2.34 illustrates that the proportion of attrition occurrences was overwhelmingly full-time between the 12 months ending 31 December 1999 and the 12 months ending 31 December 2009, although the proportion that is made up by part-time apprentices increased from 2 per cent in 1999 to 8 per cent in 2009. Attrition occurrences fell among full-time apprentices in 2009, but they continued to increase among part-time apprentices.

**Chart 2.34: Number of attrition occurrences by full-time and part-time, 12 months ending 31 December, 1999–2009**

Source: NCVER, National Apprentice and Trainee Collection, no. 65, September 2010 estimates.
Most apprentices in-training are employed full time (see Chart 2.35 below). NCVER estimated around 93 per cent of apprentices were full time as at 31 December 2009, having steadily fallen from 99 per cent in 1999. The ABS estimated around 91 per cent of apprenticeships were full time in May 2009.

**Chart 2.35: Number of apprentices in-training by full-time and part-time, as at 31 December, 1999–2009**

![Chart 2.35](chart.png)

Source: NCVER, National Apprentice and Trainee Collection, no. 65, September 2010 estimates.

Most commencements within each occupation were overwhelmingly comprised of full-time apprentices, although all occupations increased their proportion of part-time apprentices between the 12 months ending 31 December 1999 and the 12 months ending 31 December 2009. Engineering, ICT and science technicians and Skilled animal and horticultural workers had relatively high proportions of part-time apprentice commencements, at over 20 per cent in 2009, having increased from 11 per cent and 4 per cent, respectively, in 1999. Both of these occupations had relatively high growth in females over the 10 years to 2009 (9 per cent and 7 per cent respectively, compared with an occupation-wide average of 5 per cent).

**Chart 2.36: Proportion of part-time apprentice commencements by occupation, 12 months ending 31 December 1999 compared with 12 months ending 31 December 2009**

![Chart 2.36](chart.png)

Source: NCVER, National Apprentice and Trainee Collection, no. 65, September 2010 estimates.
Across most industries, the majority of commencements were full time. Industries in which the proportion of part-time apprentices was relatively high in the 12 months ending 31 December 2009 were Health care and social assistance (41 per cent); Information media and telecommunications (36 per cent); and Agriculture forestry and fishing (23 per cent) (Chart 2.37). Between the 12 months ending 31 December 1999 and the 12 months ending 31 December 2009, the proportion of part-time apprentice commencements fell in Education and training, Rental, hiring and real estate services and Public administration and safety.

Chart 2.37: Proportion of part-time apprentice commencements by industry, 12 months ending 31 December 2003 compared with 12 months ending 31 December 2009

In the 12 months ending 31 December 2009, the number of part-time apprentice commencements was highest at 16 years (2151), while for full-time apprentice commencements it was 18 years (11 338) (Chart 2.38). Some of these part-time apprentices were school-based apprentices.

Chart 2.38: Number of full-time and part-time apprentice commencements by age, 12 months ending 31 December 2009
Chart 2.39 demonstrates that over the 10 years to the 12 months ending 31 December 2009, the average annual increase in both part-time adult and junior apprentice commencements was higher than the respective full-time apprentice commencements, though from a lower base. However, while the average annual growth in adult full-time apprentices increased by more than junior full-time apprentice (8 per cent compared with 0.3 per cent), the number of junior part-time apprentice commencements grew by more than adult part-time apprentice commencements per year (25 per cent compared with 17 per cent).

Both junior full-time and part-time apprentices experienced a fall in the number of apprentice commencements in the 12 months ending 31 December 2009.

**Chart 2.39: Number of full-time and part-time adult and junior apprentice commencements, 12 months ending 31 December, 1999–2009**

Source: NCVER, National Apprentice and Trainee Collection, no. 65, September 2010 estimates.

### 2.5.6 Previous highest educational attainment

Most apprentices had senior secondary school as their highest level of education before commencing their apprenticeship. This was the case for around 79 per cent of commencements in the 12 months ending 31 December 2009, with Year 12 (27 274), Year 10 (22 041) and Year 11 (12 182) the most common levels of educational attainment.

Chart 2.40 shows these levels of educational attainment together with the next educational levels with the highest number of commencements: Year 9 or below and Certificate III. Commencements in for Certificate level III increased by an average 11 per cent over the 10-year period.

Apprentice commencements with these education levels comprised between 93 and 96 per cent of all commencements between the 12 months ending 31 December 1999 and the 12 months ending 31 December 2009.
Over the 10 years to the 12 months ending 31 December 2009, the numbers of apprentices commencing with a Certificate II level or with a higher qualification (such as Bachelor degree or Diploma) increased more rapidly than the numbers of apprentices with the education levels illustrated in Chart 2.40 above. For example, commencements for Certificate IV increased by an average of 17 per cent per year, although increasing from a much lower base (see Appendix 1 for detailed tables of previous highest education levels).

Across each occupation category, the previous highest education levels in Chart 2.40 above were consistently the most common in the 12 months ending 31 December 2009, with having Year 12 as the previous highest education level the most common across each occupation category except for Automotive and engineering trades workers, where Year 10 was the most common. Over half of commencements in Electrotechnology and telecommunications trades workers (53 per cent) were by apprentices with Year 12 as their previous highest education attainment, the highest proportion of all occupations.

There was also relatively strong growth in people commencing an apprenticeship with Certificate III as their previous highest educational attainment across occupations. These included Engineering, ICT and science technicians; Automotive and engineering trades workers; Construction trades workers; Electrotechnology and telecommunications trades workers; and Other technicians and trades workers.

Apprentices with Year 12 as their previous highest educational attainment were most likely to be employed in Construction trades workers; Automotive and engineering trades workers; Other technicians and trades workers; and Electrotechnology and telecommunication trades workers. Over the 10 years to the 12 months ending 31 December 2009, growth was relatively high for commencements in Other technicians and trades workers for those with Year 12 as their previous highest educational attainment.
Apprentices with either Year 11 or Year 10 as their highest previous education attainment were most likely to be employed in Construction trades workers and Automotive and engineering trades workers. Growth in commencements over the 10 years to the 12 months ending 31 December 2009 was highest in Other technicians and trades workers for those with Year 10, and Skilled animal and horticultural workers for those with Year 11, as their previous highest educational attainment.

Those with Certificate III as their highest previous educational attainment were most likely to be employed in Other technicians and trades workers, mainly due to a relatively strong rise in the number of commencements in Miscellaneous technicians and trades workers. Commencement growth over the 10 years to the 12 months ending 31 December 2009 was also highest in this occupation.

Those with Year 9 or below as their highest previous educational attainment were most likely to be employed in Other technicians and trades workers and Construction trades workers. Growth was highest in Other technicians and trades workers over the 10 years to the 12 months ending 31 December 2009 for this level of educational attainment.

2.5.7 School-based apprentices

School-based apprenticeships refer to apprentices who undertake their apprenticeships whilst undertaking secondary education. As outlined in Chapter 1, school-based apprenticeships were introduced as part of the Australian Government’s ‘New Apprenticeships’ scheme in 1998.

Since that time, the number of school-based apprentice commencements has steadily increased, as shown in Chart 2.41, though the numbers remain relatively low compared with overall apprenticeship commencements. The number of school-based apprenticeships commenced in the 12 months ending 31 December 2009 was 4661, or 6 per cent of all apprenticeships, according to NCVER estimates. This is considerably higher than in the 12 months ending 31 December 1999 where only 0.5 per cent of apprenticeships were school-based. Increases occurred from 2002 and fell around 7 per cent in 2009. School-based apprenticeships are generally at the Certificate I or II level (around 55 per cent in 2007).260

Males comprised around 77 per cent of school-based apprentice commencements and around 83 per cent of non school-based apprentices.

Chart 2.41: Number of commencements by school-based and non school-based apprenticeships, 12 months ending 31 December, 1999–2009


Chart 2.42 illustrates that the number of school-based apprentice commencements was highest in Construction trades workers (1178) and Automotive and engineering trades workers (1114) in 2009.

Chart 2.42: Number of school-based apprenticeship commencements by occupation, 12 months ending 31 December 2009


The highest proportion of school-based apprenticeship commencements within an occupation occurred in Engineering, ICT and science technicians in 2009 (10 per cent) (see Chart 2.43). This was lower than its peak in 2006 of 11 per cent. The occupations with the lowest proportions in the 12 months ending 31 December 2009 were Electrotechnology and telecommunications trades workers (3 per cent) and Other technicians and trades workers (4 per cent).
In the 12 months ending 31 December 2009, most school-based apprentice commencements were aged 16 years (2011), 15 years (1588) and 18 years (691) (Chart 2.44). Each of these age groups experienced an increase in school-based apprenticeship commencements after 2002 and again after 2005.

2.5.8 Summary

This chapter has presented data on the number and trends in apprentices between 1999 and 2009. The number of apprentice commencements increased over most of the period, however they fell in 2009. The number of completions increased over the period, although the number of attrition occurrences remained higher in each year. The attrition rate was also higher than the completion rate.

The majority of apprentice commencements were male and full-time, though the proportion of females and part-time apprentices increased over the period. They were most likely to be in the Construction trades workers or Automotive and engineering trades workers occupations in the Construction; Manufacturing or Other services industries. Apprentice commencements were mainly juniors around the ages of 16 to 18 years. Although adult apprentice commencements represented the lowest numbers, their proportions increased over the period. Although the number of school-based apprentices were far fewer than non school-based apprentices, their numbers also increased over the period.

The most common previous highest education level was Year 12 across each occupation category except for Automotive and engineering trades workers, where Year 10 was the most common. Over half of commencements in Electrotechnology and telecommunications trades workers were by apprentices with Year 12 as their previous highest education attainment, the highest proportion of all occupations.
3 Wage-setting for apprentices in the national system

Minimum wages for apprentices in the national system are now chiefly governed by modern awards, however, pre-modern instruments still have relevance to apprentices in the national system due to transitional phasing arrangements in modern awards and the application of transitional legislation (as outlined earlier in Chapter 1).

This chapter examines the range of arrangements across modern awards and pre-modern instruments and then explores some potential gaps that may exist for apprentice wage arrangements in the national system as a result of the transition from pre-modern instruments to modern awards.

3.1 Apprentice wages in modern awards

As indicated earlier in Chapter 1, modern award rates of pay for apprentices were largely derived from ‘...the relevant predecessor awards and NAPSAs.’261 In taking this approach the Commission indicated that ‘[i]t is not possible to standardise these provisions on an economy-wide basis, at least not at this stage’.262 The Full Bench later indicated that a unified national system of training and employment conditions would be ‘desirable’.263

3.1.1 Methodology for modern awards analysis

The modern awards analysis identifies apprentice wages across modern awards which contain the following key features:

- the various rates of pay across apprenticeships in modern awards;
- diversity of apprenticeship duration in modern awards;
- provisions which allow for early completion of apprenticeships or CBWP;
- provisions which allow for accelerated commencement for completion of pre-apprenticeship programs and RPL;
- provisions for school-based apprenticeships;
- provisions for adult apprentices;
- provisions for part-time apprentices; and
- provisions with reference to state and territory boundaries.

Comparative spreadsheets reviewing all modern awards containing apprentice provisions (which also contain provisions relating to these key criteria where relevant) are at Appendix 3 and Appendix 14.264 The spreadsheets compare apprentice rates across modern awards to review the similarities and differences between apprentice wage provisions in modern awards.

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264 Of the 122 modern awards in the national system, 76 of these do not contain provisions for apprentices. Nine of the modern awards make provision only for school-based apprenticeships, and the remaining 46 awards cover most (but not all) types of apprenticeships. In addition, the spreadsheets also identify lengths of apprenticeships and whether the modern awards made any reference to state regulation.
It should be noted that in order to compare the actual rates of pay of apprentices in modern awards the tradesperson’s rate was identified in the modern award and the calculation was made by finding the percentage identified. This is because most rates used percentages of the tradesperson’s rate rather than specified rates of pay. This information is current at of 1 January 2011.

As this chapter deals with wage arrangements for apprentices in modern awards, allowances have not been included.

3.1.2 Overview of key findings of modern awards analysis

Of the 122 modern awards in the national system, 46 contain rates of pay and provisions for apprentices.265 Apprentice wages in most of these awards are typically expressed as a percentage of the tradesperson’s rate.266 Historically, apprenticeships have been undertaken in trade fields267 and analysis shows that modern awards containing apprentice rates will usually also contain a trade classification.268 In most modern awards, the tradesperson’s rate, or the rate upon which the apprentice percentage is based is, at 1 January 2011, $663.60 per week.

Of the 46 modern awards containing apprentice rates,269 key findings include:

• nine modern awards do contain provisions for early completion or CBWP, 35 modern awards do not contain any provisions for early completion or CBWP. A further three modern awards do not specify that they allow early completion or CBWP, but provide apprentice rates according to ‘stages’ rather than based on a specified time, year or competency;

• three modern awards provide accelerated commencement for completion of pre-apprenticeship programs and RPL;

• 21 modern awards make provisions for adult apprentices, of these modern awards seven do not specify separate wage rates for adult apprentices, while the remaining 15 do specify separate wage rates;

• no modern awards provide specific wage rates for part-time apprentices, though three modern awards provide some specific provisions related to part-time apprentices;

• 37 of the modern awards contain the standard school-based apprentice’s clause;

• 26 modern awards mention state/territory training legislation in relation to the regulation of apprenticeships;

• five modern awards contain apprentice clauses with specific reference to particular states with reference to state and territory boundaries; and

• three modern awards refer to ‘relevant’ apprenticeship legislation, but do not specify further.

265 Children’s Services Award 2010 (MA000120) [Fed] does not contain rates specifically for apprentices, but simply states that apprentices may be employed under the award and must be paid the same as unapprenticed juniors of the same age.

266 Ship Joiners Apprentices Case ((1956) 87 CAR 53) marks a precedent after which fixing the apprentice rate to the tradesperson rate became standard practice in federal jurisdiction. The most common modern award rate of pay at the tradesperson’s level is $663.60. This rate reflects the C10 rate in the Manufacturing and Associated Industries and Occupations Award 2010 (MA000010) [Fed]. See item B.2.1.

267 NCVER in their 2001 report, Australian apprenticeships: facts, fiction and future, stated that the traditional trade fields were the metal trades, the building trades, the electrical trades, the food trades and the vehicle trades, accounting for 83 per cent of all apprenticeships in 1977.

268 Apprentice rates ‘will generally be expressed as a percentage of the relevant trade rate’: AIRC, Award Modernisation Decision, AM2008/1–12, [2008] AIRCFB 1000 (19 December 2008), para. 71.

269 A table of modern awards detailing whether or not certain awards contain apprentice conditions has been included as appendices to this document (see Appendix 3 and 14).
Of the 46 modern awards that contain apprentice provisions, six contain more detailed provisions when compared with the 40 other modern awards. These six modern awards are:

- **Food, Beverage and Tobacco Manufacturing Award 2010**;
- **Higher Education Industry—General Staff—Award 2010**;
- **Manufacturing and Associated Industries and Occupations Award 2010**;
- **Registered and Licensed Clubs Award 2010**;
- **Sugar Industry Award 2010**; and
- **Vehicle Manufacturing, Repair, Services and Retail Award 2010**.

Of the six ‘detailed’ modern awards key findings include:

- While the tradesperson’s rate is most commonly $663.60 per week in modern awards, the detailed awards tend to use the tradesperson’s rate along with other rates when calculating apprentice rates of pay. This is because the apprentice clauses in these awards often state that for particular years or stages of the apprenticeship the rates will be calculated by using a rate other than the tradesperson’s rate, though these awards do have the tradesperson’s rate as specified above. Examples are listed below:
  - The **Food, Beverage and Tobacco Manufacturing Award 2010** sets various apprentice rates calculated by reference to either a percentage of a specified rate of pay (predominately level 5 (tradesperson’s rate)) or the NTW schedule, and also sets adult apprentice wage rates for apprentices commencing their apprenticeship at age 21 years or over.
  - The **Higher Education Industry—General Staff—Award 2010** sets various apprentice rates including rates specified with provision for either an: 18-year unapprenticed junior rates; various NTW rates; or as a proportion of the standard rate (Higher Education Worker Level 3.1 rate).
  - The **Manufacturing and Associated Industries and Occupations Award 2010** sets various apprentice rates including rates specified with provision for either an: 18-year unapprenticed junior rates; various NTW rates; or as a proportion of C12 rate; C13 rate; and C14 rates.
  - The **Registered and Licensed Clubs Award 2010** provides different streams of and wages for apprentices. The waiting apprenticeship provides that calculations for apprentice rates for the first and second six months must be made with reference to standard rate (as defined in clause 3.1 of the award). Calculations for the third and fourth six months are to be made using a combination of the standard rate and another specified rate in the award. Cooking apprentices receive a specified percentage of the standard rate for each four years of the apprenticeship.
  - The **Sugar Industry Award 2010** various apprentice rates include rates specified with provision for either an: 18-year unapprenticed junior; various NTW rates; or as a proportion of C12 rate; C13 rate; and C14 rates.
The Vehicle Manufacturing, Repair, Services and Retail Award 2010 various apprentice rates include rates specified with provision for either: NTW rates; various Vehicle industry RS&R employee rates; various Vehicle industry/production employee Level 1-V1; rates equivalent to apprentice engineers; or percentage of the V7 rate.

• The Food, Beverage and Tobacco Manufacturing Award 2010, the Higher Education Industry—General Staff—Award 2010, the Manufacturing and Associated Industries and Occupations Award 2010 and the Sugar Industry Award 2010 detail rates for apprentices based on their level of school completion.

Of the 40 remaining ‘less detailed’ modern awards key findings include:

• 10 modern awards provide for more than one ‘type’ of apprenticeship to be able to be undertaken under their classifications (for example the Timber Industry Award 2010 provides for both a general apprenticeship to be able to be undertaken as well as an apprenticeship for ‘saw doctors’ and the Building and Construction General On-site Award 2010 provides for differing lengths of apprenticeships to be undertaken including a four-year apprenticeship, a three-year apprenticeship and a two-year apprenticeship). This means that in total, there are 52 specified rates for apprentices (not including adult apprentices) across the 40 modern awards. However, three clauses providing rates for apprenticeships relate only to specific states and cease to operate from 31 December 2014.

• Most apprentice rates are fixed according to the relevant ‘tradesperson’s rate’, however not all instruments do this. For example, the Children’s Services Award 2010 allows for apprentices to be employed under the award but states that they are to ‘...be engaged in accordance with the relevant apprenticeship legislation and paid no less than an unapprenticed junior of the same age.’ Junior employees employed at Children’s Services Employee Level 1 or Level 2 are paid a percentage of the adult rate according to their age. Junior employees employed at Children’s Services Employee Level 3 or above are paid the adult rate.

3.1.3 Specific matters

The following analysis outlines the key findings of the modern awards analysis across each of the following eight matters:

• rates of pay across apprenticeships in modern awards;
• diversity of apprenticeship duration in modern awards;
• provisions for school-based apprenticeships;
• provisions for adult apprentices;
• provisions for part-time apprentices
• provisions with reference to state and territory boundaries.
• provisions for early completion or CBWP; and
• provisions which allow for accelerated commencement for completion of pre-apprenticeship programs and RPL.

270 Clauses cease to operate 31 Dec 2014: Building and Construction General On-site Award 2010 (MA000020) [Fed], cl. 19.7(d) (clause relates only to WA); Electrical, Electronic and Communications Contracting Award 2010 (MA000025) [Fed], cl. 16.5 (clause relates only to NSW); Nursery Award 2010 (MA000033) [Fed], cl. 16.2 (clause relates only to NSW).

271 Children’s Services Award 2010 (MA000120) [Fed], cl. 14.4.
provisions with reference to state and territory boundaries.

3.1.3.1 Rates of pay across apprenticeships

With one exception, the apprentice percentages in modern awards are based on a tradesperson rate. The most common rate is $663.60 per week (32 modern awards use this rate). This rate is equivalent to the C10 tradesperson’s rate in the Manufacturing and Associated Industries and Occupations Award 2010.

However some modern awards diverge from this rate providing a range of base rates that are lower or higher than the C10 rate. These nine modern awards are listed below from lowest to highest rates provided:

- Black Coal Mining Industry Award 2010 – $658.80;
- Stevedoring Industry Award 2010 – $658.80;
- Educational Services (Schools) General Staff Award 2010 – $664.00;
- Electrical Power Industry Award 2010 – $664.00;
- Airport Employees Award 2010 – $665.63;
- Higher Education Industry—General Staff—Award 2010 – $666.38;
- Rail Industry Award 2010 – $671.00 for operations apprenticeship (also provides an apprenticeship for technical and civil employees which uses the usual $663.60 rate);
- Telecommunications Services Award 2010 – $704.60; and
- Alpine Resorts Award 2010 – Trade rates for apprentices in Electrical, Fitting, Mechanical, Painting, Spray Painting, Carpentry or Building disciplines $705.66 (full-time Trade); or $764.56 (seasonal employees). Trade rates for apprentice chefs are $663.86 (full-time Trade); or $719.34 (seasonal employees).

Although the tradesperson’s rate is relevant when considering apprentice terms and conditions of employment, as an apprentice would aim to achieve that rate on completion of their apprenticeship, a comparatively high or low tradesperson’s rate does not always indicate whether apprentice rates in that trade are also relatively high or low. It is the percentage provided for the apprentice that determines the apprentice rates. For example an apprentice rate may be derived by applying a higher percentage to a lower tradesperson’s rate or alternatively a lower percentage to a higher tradesperson’s rate. Apprentice rates have been calculated as dollar amounts to enable easier comparisons. Starting apprenticeship rates range from $6.11 per hour ($232.26 per week) which is the entry rate (first three months) for a four-year hairdressing apprenticeship in the Hair and Beauty Industry Award 2010 for the first three months to $12.22 per hour ($464.52 per week), which is the starting rate for a two-year waiting apprenticeship in the Hospitality Industry (General) Award 2010.

272 Children’s Services Award 2010 (MA000120) [Fed], cl. 14.4.
273 As noted above in the overview, six modern award rates (the ‘more detailed’ modern awards) do not consistently use the tradesperson’s rate for all stages of an apprentice’s wage calculation. They do, however, tend to closely align with the C10 rate.
274 This amount is correct as at 1 January 2011.
275 Manufacturing and Associated Industries and Occupations Award 2010 (MA000010) [Fed], item B.2.1.
By the end of the apprenticeship, apprentice rates range from $13.97 per hour ($530.88 per week), which is the third year rate in a three-year apprenticeship in the General Retail Industry Award 2010 to $19.11 per hour ($726.33 per week) which is the fourth year rate for a seasonal four-year apprenticeship (excluding apprentice chefs) in the Alpine Resorts Award 2010.

Table 3.1 illustrates four modern awards which exhibit the highest and lowest rates of pay for apprentices in the first and final years.

Table 3.1: Modern awards exhibiting highest and lowest rates in apprentices’ first and final years

<table>
<thead>
<tr>
<th>Award</th>
<th>1st 3 months of 1st year rate per week</th>
<th>1st year rate per week</th>
<th>2nd year rate per week</th>
<th>3rd year rate per week</th>
<th>4th year rate per week</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alpine Resorts Award 2010 (seasonal apprentice rate—various trades)</td>
<td>$232.26</td>
<td>$420.51</td>
<td>$496.96</td>
<td>$611.65</td>
<td>$726.33</td>
</tr>
<tr>
<td>General Retail Industry Award 2010 (various trades)</td>
<td></td>
<td>$331.80</td>
<td>$398.16</td>
<td>$481.11</td>
<td>$580.65</td>
</tr>
<tr>
<td>Hair and Beauty Industry Award 2010 (hairdressing apprentices)</td>
<td></td>
<td></td>
<td>$364.98</td>
<td>$510.97</td>
<td>$597.24</td>
</tr>
<tr>
<td>Hospitality Industry (General) Award 2010 (cooking apprentices)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$630.42</td>
</tr>
</tbody>
</table>

In modern awards, trade apprenticeship rates can vary within a particular trade depending on the industry or occupation. In a decision issued during the initial priority issues of the award modernisation process the Commission stated:

[11] Clause 4 of the Minister’s request indicates that the Commission is to make modern awards primarily along industry lines but may also create modern awards along occupational lines as it considers appropriate. In context the reference to industry awards is to awards based on the industry of employers. By contrast, the reference to occupational awards is a reference to awards based on the occupation or calling of an employee. The request therefore provides that modern awards should primarily be industry awards, although the Commission may also make occupational awards.276

For example, in the plumbing and electrical trades there are modern industry awards that apply to employers and their employees in those industries. However, employees working in different industries but employed as plumbers or electricians (occupationally) may be covered by an appropriate classification in their relevant industry award and otherwise they may be covered by an occupational award if one was created.

The modern award for plumbers is the Plumbing and Fire Sprinklers Award 2010, which is an industry and occupational award.277 The range for plumbing apprentices is: first year $248.85 per week ($6.55 per hour) to fourth year $597.24 per week ($15.72 per hour). The minimum rate of pay for adult apprentices in this award is the greater of the amount calculated for all apprentices or amount calculated under clause 20.2 ($594.45 per week or $15.64 per hour for plumbing apprentices).
However, other modern awards may also cover plumbing apprentices and therefore provide differing wage rates. These awards include:

- **Airport Employees Award 2010**—range for plumbing apprentices: first year $279.56 per week ($7.36 per hour), fourth year $585.75 per week ($15.41 per hour). Adult apprentices receive the standard apprentice rate;  

- **Amusement, Events and Recreation Award 2010**—range for plumbing apprentices: first year $315.21 per week ($8.30 per hour), fourth year $630.42 per week ($16.59 per hour);  

- **Educational Services (Schools) General Staff Award 2010**—range for plumbing apprentices: first year $298.62 per week ($7.86 per hour), fourth year $597.60 per week ($15.73 per hour). Adult plumbing apprentices to receive the greater of the regular apprentice rate or the lowest rate prescribed in clause 15.1 ($586.50 per week or $15.44 per hour);  

- **Higher Education Industry—General Staff—Award 2010**—range for plumbing apprentices: first year $273.22 per week ($7.19 per hour), fourth year $653.05 per week ($17.19 per hour); and  

- **Water Industry Award 2010**—range for three and four-year plumbing apprentices: first year $298.62 per week ($7.86 per hour), final year $597.24 per week ($15.72 per hour). Adult plumbing apprentices to be paid no less than rate for level 2 employee ($629.90 per week, $16.58 per hour).  

The modern awards for electrical apprentices are the **Electrical, Electronic and Communications Contracting Award 2010** and the **Electrical Power Industry Award 2010**. The Electrical, Electronic and Communications Contracting Award 2010 is an industry award for employers in the industry of electrical services as defined in clause 4.8 of the award. Ranges for electrical apprentices in this award are: first year $265.44 per week ($6.99 per hour), fourth year $544.15 per week ($14.32 per hour). The Electrical Power Industry Award 2010 is also an industry award to employers in the electrical power industry as defined in clause 4.2 of the award. Ranges for apprentices in this award are: first year $278.88 per week ($7.44 per hour), fourth year $564.40 per week ($15.05 per hour).  

Other modern awards that may also cover electrical apprentices include:

- **Airport Employees Award 2010**—range for electrical apprentices: first year $279.56 per week ($7.36 per hour), fourth year $585.75 per week ($15.41 per hour). May employ adult apprentices at apprentice rates provided that when a person was employed prior to becoming an apprentice they not suffer reduced pay (cl 17.1);  

- **Alpine Resorts Award 2010**—range for electrical apprentices: first year $388.11 per week ($10.21 per hour), fourth year $670.38 per week ($17.64 per hour). Range for seasonal apprentices: first year $420.51 per week ($11.07 per hour), fourth year $726.33 per week ($19.11 per hour);  

- **Amusement, Events and Recreation Award 2010**—range for electrical apprentices: first year $315.21 per week ($8.30 per hour), fourth year $630.42 per week ($16.59 per hour);
• Higher Education Industry—General Staff—Award 2010—range for plumbing apprentices: first year $279.88 per week ($7.37 per hour), fourth year $566.42 per week ($14.91 per hour);

• Telecommunications Services Award 2010—range for electrical apprentices: first year $295.93 per week ($7.79 per hour), fourth year $620.05 per week ($16.32 per hour); and

• Vehicle Manufacturing, Repair, Services and Retail Award 2010:
  – range for vehicle industry repair service and retail apprentices (which includes electrical apprentices): first year $278.71 per week ($7.33 per hour), fourth year $583.97 per week ($15.37 per hour);
  – range for vehicle manufacturing apprentices (which includes electrical apprentices): first year $278.71 per week ($7.33 per hour), fourth year $583.97 per week ($15.37 per hour);
  – range for higher engineering apprenticeship: first year $278.71 per week ($7.33 per hour), fourth year $620.66 per week ($16.33 per hour); and
  – range for adult apprentice: vehicle industry repair service and retail and manufacturing apprentices: first year $503.00 per week ($13.24 per hour), fourth year $609.00 per week ($16.03 per hour).

3.1.3.2 Diversity of apprenticeship duration in modern awards

Most awards include provisions for apprentices to progress through the course of their apprenticeship based on nominal duration of service of which the standard is usually four years:

• 42 modern awards provide for apprenticeships which run over four years. As some modern awards provide for different types of apprenticeships, as highlighted above, there are 55 different types of four-year apprenticeships offered.286

• Seven modern awards provide for apprenticeships which run over three years and of those modern awards six of them provide for both four-year and three-year apprenticeships.

• The Hospitality Industry (General) Award 2010, Higher Education Industry—General Staff—Award 2010 and the Registered and Licensed Clubs Award 2010 provide for two-year apprenticeships and so does the Building and Construction General On-site Award 2010. However, the clause relating to the latter only applies to Western Australia and ceases to operate on 31 December 2014.287

• The Airport Employees Award 2010 provides for a four-year apprenticeship but rates are determined based on both stage of apprenticeship and age.

• The Children’s Services Award 2010 provides that apprentices engaged under the award be ‘…paid no less than an unapprenticed junior of the same age.’288 No information is provided on how an apprentice progresses, duration or competencies needed.

286 It should be noted though, that some of the apprenticeships (and modern awards) included in this count allow for early completion and or CBWP for apprentices which may allow for apprenticeships to be complete their apprenticeship earlier than this four-year period (provides the apprentice meet the requirements under the particular award).

287 see Transitional residential apprenticeship for WA—cl. 19.7(d)

288 Children’s Services Award 2010 (MA000120) [Fed], cl. 14.4.
Adult apprentices are discussed in detail later in this chapter. However, it can be seen that where rates of pay are
detailed for adult apprentices the duration of most is four years though some provide three-year apprenticeships.

3.1.3.3 School-based apprentices

Modern awards containing provisions for apprentices often contain a standard schedule for school-based
apprentices that was developed by the Commission’s award modernisation Full Bench and published in a
Decision when the Stage 2 modern awards were finalised.289 In its Decision, the Full Bench indicated that the
schedule should apply only to trades provided for in the modern award in which it was included and that it
should be included in every award in which an apprenticeship is possible.290 Further, the Full Bench indicated that
it would be ‘desirable’ that any other provisions for school-based apprentices in the body of the modern award
should be deleted to ensure consistency and simplicity of review and variation.291

The standard schedule is designed to apply to apprentices who are also undertaking secondary education.292 The
schedule states that such employees would be entitled to the relevant apprentice award rate, including hours
deemed to be ‘off-the-job training’, which for a full-time school student is 25 per cent of actual hours worked,
as well as pro-rata award entitlements.293 The duration of such an apprenticeship is that it must not exceed six
years.294 The employee is to progress along the wage scale as though each year would take them two years.295

Some modern awards attach the standard school-based apprentice schedule, but do not contain provisions for
any other type of apprentices. Those modern awards include:

- Aquaculture Industry Award 2010;
- Banking, Finance and Insurance Award 2010;
- Business Equipment Award 2010;
- Funeral Industry Award 2010;
- Live Performance Award 2010;
- Market and Social Research Award 2010;
- Mobile Crane Hiring Award 2010;
- Racing Clubs Events Award 2010; and
- Surveying Award 2010.

The above listed awards are not included for the purposes of analysis elsewhere in this paper as these awards
do not contain other apprenticeship provisions within their instrument. As such, it is assumed that these awards
cannot operate as wage provisions for apprentices as they would not be able to be facilitated. For example cl. 3
of the schedule provides that the relevant minimum wages for full-time junior and adult apprentices apply to

289 AIRC, Award Modernisation Decision, AM2008/5, 7 and 13–24, [2009] AIRCFB 345 (3 April 2009), Attachment C.
school-based apprentices—without junior and adult apprentice rates specified in the modern award a rate would not be able to be specified for a school-based apprentice covered by the award.296

3.1.3.4 Adult apprentices

There are 22 modern awards which provide specific provisions covering adult apprenticeships. Approaches to adult apprentice provisions in modern awards vary, though two approaches to adult apprentices in modern awards are most common. The first approach involves including rates of pay specifically for adult apprentices. The second approach involves stating that an adult apprentice may be employed under an award at regular apprentice rates, but will not be paid lower than a specific amount. In the absence of specific adult apprentice provisions, adult apprentices under a modern award receive the ordinary ‘junior’ apprentice rate specified in the instrument.

Of the 22 modern awards containing specific provisions for adult apprentices, 15 contained specific rates of pay for adult apprentices. Of these 15 modern awards, in the following 11 awards the rate is expressed as a percentage of the ‘adult rate’ (usually the tradesperson’s rate) in the same way as regular apprenticeships in each stage of the apprenticeship:

- Aluminium Industry Award 2010;
- Black Coal Mining Industry Award 2010;
- Coal Export Terminals Award 2010;
- Higher Education Industry—General Staff—Award 2010;
- Electrical Power Industry Award 2010;
- Electrical, Electronic and Communications Contracting Award 2010;
- Graphic Arts, Printing and Publishing Award 2010;
- Joinery and Building Trades Award 2010;
- Registered and Licensed Clubs Award 2010;297
- Textile, Clothing, Footwear and Associated Industries Award 2010; and
- Timber Industry Award 2010.

In the above 11 modern awards, first-year adult apprentice rates range from $12.28298 to $15.17.299 However, not all modern awards provisions operate for the same period. Some modern awards contain adult apprenticeships operating for three years and some contain adult apprenticeships operating for four years. The Joinery and Building Trades Award 2010 contains both three-year and four-year adult apprenticeships.300 Despite the awards providing nominal terms of three and four years, duration of an apprenticeship may vary—early completion for

297 Note: the adult apprentice rate (for a cook) sunsets on 31 December 2014 and only applies in South Australia. Registered and Licensed Clubs Award 2010 (MA000058) [Fed], item B 3.1(c)(i).
298 Higher Education Industry—General Staff—Award 2010 (MA000007) [Fed], item. G.3.
299 Coal Export Terminals Award 2010 (MA000045) [Fed], cl. 13.4(c).
300 Joinery and Building Trades Award 2010 (MA000029) [Fed], cl. 20.1.
apprentices has been outlined earlier in this chapter. In particular the Graphic Arts, Printing and Publishing Award 2010 provides specific provisions for accelerated commencement of adult apprentices.301

The remaining four modern awards with adult apprentice rates include pay structures which have the actual hourly and/or weekly rate specified for each stage of the adult apprenticeship:

- Food, Beverage and Tobacco Manufacturing Award 2010;
- Manufacturing and Associated Industries and Occupations Award 2010;
- Sugar Industry Award 2010; and
- Vehicle Manufacturing, Repair, Services and Retail Award 2010.

The following eight modern awards provide for adult apprenticeships to operate over a period of four years:

- Aluminium Industry Award 2010;
- Electrical Power Industry Award 2010;
- Electrical, Electronic and Communications Contracting Award 2010;
- Higher Education Industry—General Staff—Award 2010;
- Graphic Arts, Printing and Publishing Award 2010;
- Joinery and Building Trades Award 2010;
- Textile, Clothing, Footwear and Associated Industries Award 2010; and
- Timber Industry Award 2010.

In the above eight awards for apprentices, the first-year adult apprentice rates range from $12.28 per hour302 ($466.47 per week) to $14.58 per hour303 ($554.11 per week) while ‘regular’ apprentices ranged from $6.99 per hour ($265.44 per week) to $9.01 per hour ($345.25 per week) in the first year in these awards. Adult apprentices fourth-year rates range from $15.72 per hour304 ($597.24 per week) to $17.46 per hour305 ($663.60 per week) while non adult apprentice rates range from $14.32 per hour306 ($544.15 per week) to $16.21 per hour307 ($616.05 per week) in the fourth year across the same awards.

The Aluminium Industry Award 2010 provides one rate to be paid up to the fourth year and a fourth-year rate, therefore only the fourth-year rate has been considered in the above ranges. The above was also taken into consideration rates in the Electrical, Electronic and Communications Contracting Award 2010, which will phase out on 31 December 2014.

301 Graphic Arts, Printing and Publishing Award 2010 (MA000026) [Fed], cl. 20.3.
302 Higher Education Industry—General Staff—Award 2010 (MA000007) [Fed], item. G.3.
303 Timber Industry Award 2010 (MA000071) [Fed], cl. 17.6.
304 Electrical, Electronic and Communications Contracting Award 2010 (MA000025) [Fed], cl. 16.4.
305 Graphic Arts, Printing and Publishing Award 2010 (MA000026) [Fed], cl. 20.1 and Timber Industry Award 2010 (MA000071) [Fed], cl. 17.5.
306 Electrical, Electronic and Communications Contracting Award 2010 (MA000025) [Fed], cl. 16.4 and Textile, Clothing, Footwear and Associated Industries Award 2010 (MA000017) [Fed], cl. 20.9.
307 Timber Industry Award 2010 (MA000071) [Fed], cl. 17.5.
Three modern awards provide for adult apprenticeships to operate over a period of three years:

- **Black Coal Mining Industry Award 2010**;
- **Coal Export Terminals Award 2010**; and
- **Joinery and Building Trades Award 2010**.

The above awards provide higher rates for adult apprentices with first-year rates ranging from $14.49 per hour\(^9\) ($550.79 per week) to $15.17 per hour\(^9\) ($530.88 per week) and third-year rates ranging from $16.42 per hour\(^9\) ($623.78 per week) to $18.01 per hour\(^9\) ($630.42 per week). Regular apprentices in the same awards are usually required to complete a four-year apprenticeship and thus would be paid an average a rate of $12.32 per hour ($449.06 per week) respectively over three or four years. The **Joinery and Building Trades Award 2010** provides for both a three-year and four-year apprenticeship and both have been included in the calculations here.

The following modern awards indicate the pay structure applicable to junior apprentices will also apply to adult apprentices unless another rate is higher than the applicable junior apprentice rate for the relevant stage, usually the entry level adult rate in the award the average of which is $15.53 per hour or $597.46 per week:

- **Building and Construction General On-site Award 2010**;
- **Educational Services (Schools) General Staff Award 2010**;
- **Plumbing and Fire Sprinklers Award 2010**;
- **Local Government Industry Award 2010**; and
- **Water Industry Award 2010**.

The **Airport Employees Award 2010** provides that adult apprentices may be employed at apprentice rates, but must not suffer reduction in pay where they were employed prior to becoming an apprentice.\(^8\)

In the modern awards listed below, provisions relating to adult apprentices only apply to employers of certain states and expire on 31 December 2014:

- **Hospitality Industry (General) Award 2010**;\(^1\)
- **Electrical, Electronic and Communications Contracting Award 2010**;\(^1\) and
- **Registered and Licensed Clubs Award 2010**.\(^1\)

### 3.1.3.5 Part-time apprenticeships

No modern awards provide specific rates of pay for part-time apprentices, however, this does not mean that

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\(^8\) Joinery and Building Trades Award 2010 (MA000029) [Fed], cl. 20.1.
\(^9\) Coal Export Terminals Award 2010 (MA000045) [Fed], cl. 13.4(c).
\(^1\) Ceases to operate due to transitional provisions in respect of South Australia, item B.3.1(b)(i).
part-time apprentices do not have wage rates under an applicable modern award. In a decision of the Full Bench of the Commission as part of the award modernisation process, the Bench indicated (in reference to the Miscellaneous Award 2010) that there was no need for a part-time model clause to be inserted into the Miscellaneous Award 2010 as the award’s part-time provisions and/or the model school-based apprentice schedule would be sufficient to facilitate wages for this type of apprentice.316

The following three modern awards mention part-time apprenticeships (though do not provide specific wage rates):

- **Salt Industry Award 2010**;
- **Telecommunications Services Award 2010**; and
- **Vehicle Manufacturing, Repair, Services and Retail Award 2010**.

The **Salt Industry Award 2010** and the **Telecommunications Services Award 2010** make a general statement that apprentices are entitled to the percentage of the applicable adult weekly wage and in the case of part-time apprentices the applicable hourly rate. The **Vehicle Manufacturing, Repair, Services and Retail Award 2010** states that the award will apply to part-time apprentices and that the terms of a training contract are subject to the provisions of the applicable contract of apprenticeship or training agreement operating under federal, state or territory apprenticeship or training legislation.317

### 3.1.3.6 Apprentice provisions with reference to state and territory boundaries

Under s.154 of the FW Act, Fair Work Australia may only include state-based differences in modern awards under specific circumstances and only for a period of up to five years from 1 January 2010.318

The following modern awards contain apprentice provisions covering employees of specific states and territories.

- **Building and Construction General On-site Award 2010**—Clause 19.7(c) contains transitional provisions for competency-based progression in accordance with the terms of a NAPSA or award made under the WR Act if the employee was covered by the NAPSA or award prior to 1 January 2010.319 However, this clause ceases to operate on 31 December 2014.320 Clause 19.7(d) provides rates of pay for two-year residential apprenticeships in Western Australia.321 This type of apprenticeship was previously offered by the **Building Trades (Construction) Award 1987**, and clause 19(d)(ii) provides that clause 19.7(d) ceases to operate on 31 December 2014.322

- **Nursery Award 2010**—Clause 16.2 provides wage rates for New South Wales trainee apprenticeships.323 A trainee apprenticeship is defined in the **Apprenticeship and Traineeship Act 2001** (NSW) as ‘an apprenticeship under which the employer does not undertake to employ the apprentice for the whole of the term of the apprenticeship’.324 Clause 16.2 ceases to operate on 31 December 2014.325

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316 AIRC, Award Modernisation Decision, [2009] AIRCFB 945 (4 December 2009), para. 158.
317 Vehicle Manufacturing, Repair, Services and Retail Award 2010 (MA000089) [Fed], cl. 15.1.
318 Fair Work Act 2009 (Cth), s. 154(2).
319 Building and Construction General On-site Award 2010 (MA000020) [Fed], cl. 19.7(c)(i).
320 Building and Construction General On-site Award 2010 (MA000020) [Fed], cl. 19.7(c)(ii).
321 The provision for two year residential apprenticeships was inserted into the Building MA after an application to vary a modern award was granted: AIRC, Decision, AM2009/162, [2009] AIRCFB 989 (31 December 2009).
322 Building and Construction General On-site Award 2010 (MA000020) [Fed], cl. 19.7(d)(ii).
323 Nursery Award 2010 (MA000033) [Fed], cl. 16.2. The provision for trainee apprenticeships was inserted into the award after the AIRC granted an application to vary a modern award: AIRC, Award Modernisation Decision, AM2009/16, [2009] AIRCFB 896 (9 November 2009).
324 Apprenticeship and Traineeship Act 2001 (NSW), Dictionary.
325 Nursery Award 2010 (MA000033) [Fed], cl. 16.3.
• *Electrical, Electronic and Communications Contracting Award 2010*—Clause 13, which refers to adult apprentices, applies only to the state of Queensland, and provides that the clause ‘ceases to operate on 31 December 2014’. Clause 16.4(b) contains specific wages for Queensland adult apprentices, and clause 16.4(c)(i) provides specific wages for New South Wales trainee apprentices, but these two clauses cease to operate on 31 December 2014.

• *Hospitality Industry (General) Award 2010*—Schedule B of the award contains specific transitional provisions for South Australian employees. Item B.3.1(b) relates to cooking apprenticeships, and provides wage rates for adult apprentices. Schedule B applies only until 31 December 2014.

• *Registered and Licensed Clubs Award 2010*—Schedule B of the award contains specific transitional provisions for South Australian employees. Item B.3.1(b) relates to cooking apprenticeships, and provides wage rates for adult apprentices. Schedule B applies only until 31 December 2014.

In summary, five modern awards contain transitional apprentice provisions for employees of particular state and territories. The *Hospitality Industry (General) Award 2010* and *Registered and Licensed Clubs Award 2010* have identical provisions dealing with cooking apprenticeships in South Australia, while the *Electrical, Electronic and Communications Contracting Award 2010* and *Nursery Award 2010* both provide for trainee apprenticeships in New South Wales. Further, the *Electrical, Electronic and Communications Contracting Award 2010* provides for Queensland adult apprentices, while the *Building and Construction General On-site Award 2010* contains CBWP transitional provisions and provisions for Western Australia residential apprenticeships. However, all these transitional apprentice provisions will cease to apply on 31 December 2014.

**3.1.3.7 Reference to state training arrangements/bodies for early completion or competency-based progression in modern awards**

More detailed spreadsheets have been used to further examine the nine modern awards that made reference to state regulation in order to ascertain the level of involvement by state jurisdictions where specified in modern awards (see Appendix 14). Key findings are:

• Two of the nine modern awards outline who in each jurisdiction is required to determine the apprentice’s competency: *Joinery and Building Trades Award 2010* and *Manufacturing and Associated Industries and Occupations Award 2010*. These awards are consistent in wording and specify that the competency is to be agreed between the RTO, employer and the apprentice. The awards also specify that the state/territory apprenticeship authority has dispute-settling power and any state/territory training requirements must be met in order for progression to occur.
Two modern awards outline what in each jurisdiction is the process for signing off the apprenticeship (in their relevant award) prior to its nominal completion: Joinery and Building Trades Award 2010 and Manufacturing and Associated Industries and Occupations Award 2010. These modern awards specify requirements for the process for signing off prior to nominal completion and are consistent with each other. Requirements include:

- that the relevant qualification be completed;
- that the apprentice have the necessary practical experience and competency outlined in the training agreement;
- that minimum work experience requirements be met; and
- that trade licensing or regulatory requirements under state legislation are met.

Eight of the nine modern awards address what, in each jurisdiction, are the state arrangements/requirements for contract of training/training requirements (and its interaction with the industrial instrument). The Registered and Licensed Clubs Award 2010 is the exception. It should be noted that the degree to which these eight modern awards address this matter varies greatly.

The Graphic Arts, Printing and Publishing Award 2010 and Vehicle Manufacturing, Repair, Services and Retail Award 2010 detail how CBTP arrangements interact with the CBWP arrangements outlined in their provisions. The Graphic Arts, Printing and Publishing Award 2010 states that the four-year apprenticeship may be varied by a training authority by virtue of an approved competency-based training program while the Vehicle Manufacturing, Repair, Services and Retail Award 2010 states that an apprentice may progress by completing required competencies in the training plan.

Five of the nine modern awards expressly outline the dispute resolution arrangements that are available for disputes (which may arise over competencies attained under competency-based progression arrangements across state and territory arrangements):

- Electrical, Electronic and Communications Contracting Award 2010, Graphic Arts, Printing and Publishing Award 2010 and Vehicle Manufacturing, Repair, Services and Retail Award 2010 state that conditions of employment specified in the award apply to apprentices.

- Joinery and Building Trades Award 2010 and Manufacturing and Associated Industries and Occupations Award 2010 state that dispute-settling power rests with the state/territory apprenticeship authority.

3.1.3.8 Competency-based wage progression arrangements in modern awards

Out of the 122 modern awards created by the Commission, a small number of modern awards contain CBWP arrangements for apprentices. CBWP refers to an arrangement where a modern award allows an employee to access higher pay rates if they attain certain skills levels ahead of a nominated period of time (which allows the employee to complete their apprenticeship more quickly). These arrangements contrast with a ‘time-served’ wage progression arrangements which provide access to higher pay rates after serving the specified period of time of training and work. A further discussion of the operation and availability of CBWP for apprentices in the national system is discussed later in Chapter 4.

339 Graphic Arts, Printing and Publishing Award 2010 (MA000026) [Fed], cl.13.10.
340 Vehicle Manufacturing, Repair, Services and Retail Award 2010 (MA000089) [Fed], cl. 35.1, 49.
The extent to which provisions in modern awards facilitate CBWP are not uniform and vary significantly. Some modern awards expressly provide a link between training progression and wage progression, while others allude to the possibility of CBWP but do not detail how wage progression is achieved. A small number of modern awards also allow for early completion of apprenticeships due to attainment of competencies, while others provide accelerated commencement of apprenticeships due to RPL.

### 3.1.3.8.1 Early completion or competency-based progression

The following four modern awards expressly contain provisions allowing for structured CBWP which match wages with the attainment of specific competencies:

- **Manufacturing and Associated Industries and Occupations Award 2010**—explicitly states that ‘apprenticeships under this award are competency based’, and although the nominal completion date of the apprenticeship is four years it can be completed in a shorter period.

- **Vehicle Manufacturing, Repair, Services and Retail Award 2010**—explicitly sets out CBWP arrangements by providing that an apprentice can advance through an apprenticeship either by completing the required competencies in accordance with the agreed training plan, or completing each year of service under the apprenticeship.

- **Graphic Arts, Printing and Publishing Award 2010**—explicitly provides CBWP arrangements for adult apprentices although clause 13.12(a) limits this progression in the first 12 months of an apprenticeship. The provisions allow that where an adult apprentice has, in accordance with the requirements of state or territory legislation, been determined to have gained sufficient theoretical and practical knowledge, that apprentice will be deemed, for the purposes of calculating the appropriate wage rate, to have completed the period advanced.

- **Building and Construction General On-site Award 2010**—provides for progression through the wage structure based on achievement of competency in accordance with the terms of a NAPSA or an award made under the WR Act that applied to apprentices covered by the modern award.

In addition to these four awards, three modern awards allude to the possibility of CBWP but do not specifically detail how progression is achieved:

- **The Sugar Industry Award 2010**—provides that apprentices go through ‘stages’ of apprenticeship (rather than years, adopting the same language as the Manufacturing and Associated Industries and Occupations Award 2010). However, the award does not specify how an apprentice progresses. Relevantly, in a decision by the award modernisation Full Bench it stated (in relation to the Sugar Industry Award 2010) that ‘the apprenticeship provision has been reviewed to retain the existing competency-based assessment’.

- **The Food, Beverage and Tobacco Manufacturing Award 2010 and the Higher Education Industry—General Staff—Award 2010**—also adopts the same language as the Manufacturing and Associated Industries and Occupations Award 2010.

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341 Manufacturing and Associated Industries and Occupations Award 2010 (MA000010) [Fed], cl. 15.6.
342 See Manufacturing and Associated Industries and Occupations Award 2010 (MA000010) [Fed], cl. 15.8.
343 See Vehicle Manufacturing, Repair, Services and Retail Award 2010 (MA000089) [Fed], cl. 35.1 and 49.
344 Graphic Arts, Printing and Publishing Award 2010 (MA000026) [Fed], cl. 13.12(a).
345 Graphic Arts, Printing and Publishing Award 2010 (MA000026) [Fed], cl. 20.3.
346 See Building and Construction General On-site Award 2010 (MA000020) [Fed], cl. 19.7(c).
347 Sugar Industry Award 2010 (MA000087) [Fed], cl. 40.4.
Occupations Award 2010, and provides that apprentices go through ‘stages’ of apprenticeship (rather than years), however, does not specify how an apprentice progresses.

Four modern awards do not provide express wage structures to facilitate CBWP, but specify that they will not inhibit early completion of apprentices if competency is attained:

- **Electrical, Electronic and Communications Contracting Award 2010**—provides that the period of apprenticeship may be varied with the approval of the apprenticeship authority, and that any credits granted are to be counted as part of apprenticeship for the purpose of wage progression.\(^{350}\)

- **Graphic Arts, Printing and Publishing Award 2010**—though the award provides structured CBWP arrangements for adult apprentices,\(^ {351}\) it does not specify this for non-adult apprentices. Instead, it provides that the period of apprenticeship for non-adult apprentices may be varied with the approval of the applicable apprenticeship authority, and credits granted are to be counted as part of apprenticeship for purpose of wage progression (where CBTP is available).\(^ {352}\)

- **Joinery and Building Trades Award 2010**—provides that the period of apprenticeship may be varied with the approval of the applicable apprenticeship authority and states that when an apprenticeship is shortened the apprentice is to be paid the minimum rate corresponding to the stage of the apprenticeship being undertaken.\(^ {353}\)

- **The Timber Industry Award 2010**—provides that the term of apprenticeship will end once an apprentice displays the competency required by the apprenticeship indenture or the appropriate state apprenticeship authority or commission.\(^ {354}\)

### 3.1.3.9 Accelerated commencement for completion of pre-apprenticeship programs and Recognition of Prior Learning

Three modern awards also provide for accelerated commencement for apprentices, as a means for allowing early progression through an apprenticeship wage scale based on the RPL on the basis of credit or previous experience of the apprentice:

- **Joinery and Building Trades Award 2010**—provides that the period of apprenticeship may be varied with approval of apprenticeship authority to recognise VET in school, pre-apprenticeships programs and other prior learning to reflect the proportion of the competencies already acquired.\(^ {355}\)

- **Textile, Clothing, Footwear and Associated Industries Award 2010**—provides that a State Apprenticeship Authority may approve an application to permit an adult apprentice to advance within the apprenticeship period by a maximum or two years where the employee has been employed in the relevant industry for at least two consecutive years and has sufficient theoretical and practical knowledge.\(^ {356}\)

- **Plumbing and Fire Sprinklers Award 2010**—allows training credits attained by adult apprentices to effect the

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349 Food, Beverage and Tobacco Manufacturing Award 2010 (MA000073) [Fed], cl. 21.1 and Higher Education Industry—General Staff—Award 2010 (MA000007) [Fed], item G.4.
350 Electrical, Electronic and Communications Contracting Award 2010 (MA000025) [Fed], cl. 12.8.
351 Graphic Arts, Printing and Publishing Award 2010 (MA000026) [Fed], cl. 20.3.
352 Graphic Arts, Printing and Publishing Award 2010 (MA000026) [Fed], cl. 13.10.
353 Joinery and Building Trades Award 2010 (MA000029) [Fed], cl. 13.5 and 19.2.
354 Timber Industry Award 2010 (MA000071) [Fed], cl. 12.7(c).
355 Joinery and Building Trades Award 2010 (MA000029) [Fed], cl. 13.4(b).
356 Textile, Clothing, Footwear and Associated Industries Award 2010 (MA000017) [Fed], item C.19.2.
duration of an apprenticeship for adult apprentices depending on the rules/regulations of the STA.\textsuperscript{357}

The \textit{Hair and Beauty Industry Award 2010} does provide specific wages for a worker undertaking a pre-apprenticeship (which runs over a term of 2½ years),\textsuperscript{358} however, the award does not make any mention of whether completion of this pre-apprenticeship will lead to accelerated commencement or RPL for an apprentice to the award.

Some modern awards explicitly address the question of who determines the apprentice’s competency. For example, the \textit{Joinery and Building Trades Award 2010} and the \textit{Manufacturing and Associated Industries and Occupations Award 2010} specify that competency is to be agreed between the RTO, the employer and the apprentice.\textsuperscript{359} They also state that the state or territory apprenticeship authority has dispute settling powers,\textsuperscript{360} and that any state or territory training requirements must be met for wage progression to occur.\textsuperscript{361}

\subsection*{3.1.4 Conclusion}

Apprentice provisions in modern awards can differ greatly between and within modern awards. This is particularly the case in relation to pay structures, where both apprentice percentages and the amount they are applied to may differ. In relation to standard apprentice rates, first year or Stage 1 rates may be anywhere between $6.11 per hour ($232.26 per week) to $12.22 per hour ($464.52 per week), while 3rd/4th year or Stage 3/4 rates may be anywhere between $13.97 per hour ($530.88 per week) to $19.11 per hour ($726.33 per week) depending on the award and/or apprenticeship type. In relation to specified adult apprentice rates, the average minimum rate (which can be expected to be paid in the first year of the adult apprenticeship) is $13.74 and the average maximum rate (which can be expected to be paid in the final years of the adult apprenticeship) is $16.52.

\subsection*{3.2 Pre-modern award apprentice wages in the federal system}

From 27 March 2006 to the commencement of modern awards on 1 January 2010, minimum terms and conditions of employment for apprentices in the federal system were governed by pre-reform awards, NAPSAs and APCSs. Preserved APCSs\textsuperscript{362} were derived on 27 March 2006 from pre-reform wage instruments\textsuperscript{363} (predominantly federal and state awards prior to this date, but also including minimum wage rates determined by a range of legally binding instruments such as state-based minimum wage orders). The remaining allowable terms and conditions of employment remained in pre-reform awards (previously federal awards) and NAPSAs (previously state awards). The Australian Industrial Registry (AIR) estimated that as at April 2008 there were approximately 1560 of these instruments collectively in the federal system.\textsuperscript{364} It should be noted that this figure does not include the 1625 pre-reform awards and NAPSAs applying to a single enterprise.

\begin{itemize}
\item \textsuperscript{357} Plumbing and Fire Sprinklers Award 2010 (MA000036) [Fed], cl. 16.3.
\item \textsuperscript{358} Hair and Beauty Industry Award 2010 (MA000005) [Fed], cl. 19.3.
\item \textsuperscript{359} Joinery and Building Trades Award 2010 (MA000029) [Fed], cl. 13.5 (b); Manufacturing and Associated Industries and Occupations Award 2010 (MA000010) [Fed], cl. 15(b)(b).
\item \textsuperscript{360} Joinery and Building Trades Award 2010 (MA000029) [Fed], cl. 13.5(b); Manufacturing and Associated Industries and Occupations Award 2010 (MA000010) [Fed], cl. 15.8(b)(b).
\item \textsuperscript{361} Section 208 of the \textit{Workplace Relations Act 1996 (Cth)} outlined that if a pre-reform wage instrument contained rate provisions determining one or more rates of pay, basic piece rates of pay that was payable to employees then from 27 March 2006, these rates were taken to be preserved APCSs.
\item \textsuperscript{362} Section 208 of the \textit{Workplace Relations Act 1996 (Cth)} outlines the pre-reform wage instrument rates that were preserved in preserved APCSs at 27 March 2006. These were: rate provisions including basic periodic rates of pay and basic piece rates of pay, casual loadings, rates for employees to whom training arrangements apply that provide basic periodic rates of pay for those hours at training, frequency of payment provisions and coverage provisions.
\item \textsuperscript{364} Senior Deputy President Acton, ‘The Fair Work System—Fair Work Australia’s Experiences and Insights’ (Speech delivered at the AI Group’s National PIR Group Conference, Canberra, 19 April 2010).
\end{itemize}
Though modern awards in the current national system have for the most part replaced the coverage of these instruments (collectively referred to here as ‘pre-modern award instruments’), they still have relevance in the present national system for three main reasons. The first is because, at 1 January 2011, these instruments remain preserved as award-based transitional instruments and transitional APCSs (via the operation of the Fair Work (Transitional Provisions and Consequential Amendments) Act 2009 (Cth)). The second is because the minimum rates that were contained in transitional APCSs continue to be used as part of transitional phasing arrangements in modern awards. Third, because some preserved award-based transitional instruments and transitional APCSs will continue to operate beyond 1 January 2011 due to the operation of the Fair Work (Transitional Provisions and Consequential Amendments) Regulations 2009 (Cth) (see Chapter 1).

For these reasons, there is some utility in addressing the variety of wage arrangements for apprentices in the federal system prior to the commencement of modern awards on 1 January 2010 (as part of the new national system of 1 July 2009) as this diversity still has an impact on apprentices in the present national system.

The following section therefore provides a comparative analysis of apprenticeship provisions in pre-modern award instruments across the federal system in five key occupations and the Metals industry. Further analysis outlining apprentice wages in each industry (according to the Commission’s panel industries) according to the key areas of the modern award and pre-modern award analysis has also been undertaken and is attached to this paper (see Appendix 6 and 7).

As discussed further, the analysis in this section relies on the primary research of the AIR published during the award modernisation process which analysed wages of provisions in key pre-modern award instruments. It should be noted that the wage increases applied in both pre-reform awards and NAPSAs (for the analysis) were notionally adjusted in accordance with the Commission’s Wages and Allowances Review increases from 2006 to 2008. This is relevant to note as these rates may not accord with the relevant entitlements/rates that would have been payable under corresponding preserved APCSs.

### 3.2.1 Methodology for pre-modern award instrument analysis

In light of the large number of pre-modern award instruments regulating the labour market for apprentices prior to the commencements of modern awards, the analysis below has taken a targeted ‘top five’ occupations approach (those occupations with the highest proportion of apprentices) and the Metals industry in order to provide a detailed analysis of apprentice wage diversity against seven key matters:

- the diversity of arrangements in apprentice wages across industries under the federal system, which offered differing wage arrangements for apprentices in like industries and occupations noting examples of where there may be consistency in tradesperson rates across industries but not in apprentice wages;

- diversity of apprenticeship duration across instruments;

- provisions for early completion or CBWP;

- provisions allowing for accelerated commencement for completion of pre-apprenticeship programs and RPL;

- provisions for school-based apprenticeships;

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365 Rates of pay in both pre-reform awards and NAPSAs were removed at 26 March 2006 and preserved in preserved APCSs at 27 March 2006 (and were adjusted by the Australian Fair Pay Commission (AFPC) until 2009).
• provisions for adult apprentices; and
• provisions for part-time apprentices.

Comparative spreadsheets reviewing pre-modern award instruments for the five occupations and one industry (which also contain provisions relating to these key criteria where relevant) are at Appendix 6.

3.2.1.1 Data sources for pre-modern award instrument data

The analysis below has been based on the spreadsheets of pre-modern award instruments prepared by staff of the AIR for the award modernisation process (these spreadsheets are attached at Appendix 5). These spreadsheets outline the wage arrangements for apprentices in a range of key pre-reform awards, transitional awards and NAPSAs (as the research traversed both terms and conditions of employment as well as wages and loadings) within the industries considered by the Commission as part of the award modernisation process.

In order to inform a targeted discussion, the analysis which follows specifically addresses each of the seven matters listed above against the five most apprentice-populated trade occupations (the top five occupations), and, to ensure the discussion covers pre-modern award CBWP arrangements and a major benchmark award, the metals industry (as defined by the Commission). This approach was adopted to ensure that any analysis compared ‘like’ apprentice trades, under an industry based approach, it is more difficult to deduce this given industries can contain many differing types of trades, which would make comparison more difficult.

The selection of the ‘top five’ occupations was informed by NCVER data, which uses the classification structure developed by the ANZSCO system for the Major Group 3—Technicians and Trades Workers (where trade apprentices generally are located). ANZSCO is a statistical classification system that provides for the standardised collection, analysis and publication of occupational data. The system cascades down from major groups, sub-major groups, minor groups, and unit groups, before listing specific occupations. For example, the occupation ‘bricklayer’ belongs to the following groups (in the above order):

3. Technicians and Trades Workers
33. Construction Trades Workers
331. Bricklayers, and Carpenters and Joiners
3311. Bricklayers and Stonemasons
331111. Bricklayer

Occupations were selected at the 3-digit level (minor groups), as these corresponded well with the industry breakdown utilised for the award modernisation process. Each trade in the top five industries was matched to the relevant industry page on the Commission website. The top five occupations are (in order of highest numbers in-training):

331. Bricklayers, and Carpenters and Joiners
341. Electricians

366 Transitional awards (binding employers/employees in federal system pre 26 March 2006 under the Conciliation and Arbitration powers but not subject to constitutional corporations power) were varied by the Commission.
367 This is based on the figures from NCVER for apprentices in-training, see Appendix 1 (in-training tab).
Australian apprentice minimum wages in the national system

321. Automotive Electricians and Mechanics
351. Food Trades Workers
334. Plumbers

While the occupations that would fit under the metal industry are not listed as the top five most densely populated occupations for apprentices, because this industry captures the Metal, Engineering and Associated Industries Award 1998 (a common benchmark award for apprentice tradesperson’s rates and for minimum wages generally) and was one of the few industries which featured CBWP, this has also been included in the pre-modern award instrument analysis.

As outlined, the AIR carried out extensive research for each industry, comparing the key pre-modern award instruments in each industry in terms of wages, allowances, coverage, and other pre-modern award instrument conditions. The work of the AIR included a schedule on apprentice wages which has formed the starting point of the spreadsheets of this analysis (see Appendix 5).

Table 3.2 below indicates the scope of the analysis.

Table 3.2: Overview of pre-modern award instruments top five occupations and metal and associated industries analysis

<table>
<thead>
<tr>
<th>Occupation/Industry</th>
<th>Relevant Commission Industry, occupation</th>
<th>Federal (pre-reform awards)</th>
<th>NAPSA (preserved state awards)</th>
<th>No apprentice provisions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Federal</td>
<td>NAPSA</td>
<td>QLD award</td>
</tr>
<tr>
<td>Bricklayers, and Carpenters and Joiners</td>
<td>Building, Metal and Civil Construction</td>
<td>5</td>
<td>5</td>
<td>1</td>
</tr>
<tr>
<td>Electricians</td>
<td>Electrical Contracting</td>
<td>3</td>
<td>5</td>
<td>1</td>
</tr>
<tr>
<td>Automotive Electricians and Mechanics</td>
<td>Vehicle (repair, service and retail) and Vehicle Manufacturing</td>
<td>5</td>
<td>8</td>
<td>1</td>
</tr>
<tr>
<td>Food Trades Workers</td>
<td>Food, beverage and tobacco manufacturing, Catering, Liquor and Accommodation and Restaurants (including Clubs)</td>
<td>26</td>
<td>67</td>
<td>21</td>
</tr>
<tr>
<td>Plumbers</td>
<td>Plumbing</td>
<td>8</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Metal</td>
<td>Metal &amp; associated industries</td>
<td>9</td>
<td>13</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>56</td>
<td>101</td>
<td>25</td>
</tr>
</tbody>
</table>

Source: Australian Industrial Registry, award modernisation research.

Note: Pre-modern award instruments in Queensland did not usually contain provisions for apprentices because apprentices in Queensland usually had conditions set under the Qld Order or the Qld GDGE Order. Regulations exist which preserve these instruments.  

368 Fair Work (Transitional Provisions and Consequential Amendments) Regulations 2009 (Cth), Reg 3B.02.
3.2.1.2 Apprentice minimum wage analysis

The percentage rates provided in the AIR comparative schedules have, for the purpose of this research, been converted into dollar amounts on a weekly and hourly basis to enable more meaningful comparison between awards and occupations/industries.

The ensuing analysis has also restricted its considerations to ‘minimum wages’ as considered by the Panel of Fair Work Australia under Part 2-6 of the FWork Act.369 That is, it includes only apprentice minimum wage rates and does not include allowances or penalty rates. Therefore, for the purpose of this analysis apprentice percentages have been applied to the base rate only.

It is important therefore to note that the wages as reported would not demonstrate take-home rates of pay for apprentices. Where awards have specified that an apprentice was to receive an aggregate of a base rate and allowances, the allowances have not been included. Likewise where the apprentice received a percentage of the tradesperson’s rate and the tradesperson received an aggregate rate consisting of a base rate plus allowances, only the base rate was used. Where safety net adjustments were specified in the award they have been added to the tradesperson’s base rate, and supplementary payments have also been included. A worked example for the distinction between minimum wage rates for apprentices and take-home rates of for apprentices (which include allowances etc) is attached (Appendix 7) using pre-modern award instruments covering the plumber’s occupation.

Where an award did not mandate a specific rate of pay (for example, stating that the percentage will apply to the ‘appropriate tradespersons minimum weekly rate’,370 ‘an adult tradesperson employed in the area in which the apprentices are employed’,371 or ‘percentages of the sum of the rates of wages’),372 the tradesperson’s rate or equivalent has been identified and used or the C10 Metal, Engineering and Associated Industries Award 1998 tradesperson’s rate or equivalent (2009: $637.60 per week)373 has been selected. The wage rates under these instruments have been notionally adjusted for the 2006, 2007 and 2008 Commission Wages and Allowances Review increase,374 however they have not had the Fair Work Australia Annual Wage Review 2009–10 3 June 2010 decision increase applied because this analysis sets out to examine pre-modern award arrangements.

In relying on the award modernisation spreadsheets in this manner, not all of the pre-modern awards covering the top five occupations and one industry have been subject to analysis.375 The comparative schedules ‘compared particular provisions in significant federal pre-reform awards and state awards’ (emphasis added).376 The schedules also select a federal award as the ‘main award’ in each industry. This award is listed first and other federal awards and NAPSAs are compared to it. Further, the AIR industry groups do not easily align with the ANZSCO377

369  The Minimum Wage Panel must conduct an annual wage review under s.285 of the FW Act. The content of the annual wage review covers modern award minimum wages and the national minimum wage order (s 285(2)). Section 284(3) provides that modern award minimum wages include minimum wages for junior employees, employees to whom training arrangements apply and employees with a disability. It does not include allowances. Allowances in modern awards are either set as a percentage of the standard rate or they are expense related allowances which are adjusted through a separate process by Fair Work Australia. See the Statement regarding adjustment of expense related allowances issued by Fair Work Australia on 20 May 2010, [2010] FWA 3857.
370  National Building and Construction Industry Award 2000 (AP790741CRV) [Fed], cl 20.2.1.
371  National Electrical, Electronic and Communications Contracting Industry Award 1998 (AP791396CRV) [Fed], cl. 17.7.2.
372  Plumbing Industry (Australian Capital Territory) Award 1999 (AP792330CRA) [Fed], cl 37.2.2.
373  Note, the modern award section rates of pay were current 2010 rates of pay incorporating the 1 July 2010 increase of $26.00 per week to full adult basic periodic rates of pay.
374  Note, in 2009 the AFPC maintained adult rates in APCSs.
375  For a full list of relevant awards for the industries see, AIRC, Award Modernisation Decision, [2008] AIRCFB 550 (20 June 2008), Attachment B (Priority industries/occupations); AIRC, Award Modernisation Decision [2008] AIRCFB 708 (3 September 2008), Attachment B (Stage 2 industries); AIRC, Award Modernisation Decision, [2009] AIRCFB 100 (30 January 2009), Attachment B (Stage 3 industries/occupations); AIRC, Award Modernisation Decision, [2009] AIRCFB 641 (29 June 2009), Attachment B (Stage 4 industries/occupations).
or ANZSIC\textsuperscript{378} occupations and industry classification breakdowns. For example, under the AIR spreadsheet breakdown by industries, under the ‘Food, beverage and tobacco’ industry the following sectors are listed:

- Aerated waters;
- Baking;
- Confectionery;
- Dairy;
- General food (preservers, food manufacturing and processing); and
- Poultry processing.

This can be compared to the ANZSCO occupations where under the ‘Food Trades Workers’ three-digit unit group, the following six digit occupations are included:

- Baker;
- Pastrycook;
- Butcher or smallgoods maker;
- Chef; and
- Cook\textsuperscript{379}

Of the sectors within the Commission’s panel, only baking is relevant to the occupations under the Food Trades Workers group.

The other occupations, such as chefs and cooks, are contained in different panel industries, such as the catering industry, licensed clubs industry, the restaurants industry and the liquor and accommodation industry. Some of these panels included awards that provided apprenticeships outside the ANZSCO Food trades workers group, and even outside the Major Group 3—Technicians and Trades Workers.

The approach for this paper has been to include the full scope of all the awards present in Commission panels identified as relevant when covering off the ANZSCO unit groups in the top five occupations.

Lastly, it should be noted that the ensuing discussion and attached spreadsheet analysis are not to be relied on for payment purposes and they do not purport to comprehensively reflect all entitlements under an instrument. They are intended to provide a platform for research and analysis of the regulation of apprentices. Links to the full text of provisions in instruments appear throughout the spreadsheets.

\textsuperscript{378} ABS, 2008, \textit{Australian and New Zealand Standard Industrial Classification (ANZSIC), 2006 (Revision 1.0)}, Catalogue No. 1292.0.

\textsuperscript{379} The ANZSCO publication provides a full breakdown of occupations from page 35, as well as the indicative tasks of each unit group. See Australian Bureau of Statistics / Statistics New Zealand, \textit{Australian and New Zealand Standard Classification of Occupations} (2006).
### 3.2.2 Overview of key findings of pre-modern award analysis

The analysis reviewed 157 awards across the top five occupations and metals industry. It was found that 93 instruments (59 per cent) contained apprentice rates of pay and 40 (25 per cent) had specific provisions relating to adult apprentices. Table 3.3 below summarises this information across each occupation.

#### Table 3.3: Summary of top-five occupations and metals industry pre-modern awards containing certain apprentice wage provisions

<table>
<thead>
<tr>
<th>Occupation/ Industry</th>
<th>Total awards considered</th>
<th>Number containing apprentice provisions</th>
<th>Number providing for school-based apprentices</th>
<th>Number providing for part-time apprentices</th>
<th>Number providing for adult apprentices</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bricklayers, carpenters and joiners occupation</td>
<td>10</td>
<td>9</td>
<td>0</td>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td>Electricians occupation</td>
<td>8</td>
<td>6</td>
<td>0</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Automotive electricians and Mechanics occupation</td>
<td>13</td>
<td>8</td>
<td>0</td>
<td>0</td>
<td>7</td>
</tr>
<tr>
<td>Food trades workers occupation</td>
<td>93</td>
<td>46</td>
<td>4</td>
<td>0</td>
<td>13</td>
</tr>
<tr>
<td>Plumbers occupation</td>
<td>11</td>
<td>10</td>
<td>0</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Metals industry</td>
<td>22</td>
<td>14</td>
<td>0</td>
<td>0</td>
<td>12</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>157</strong></td>
<td><strong>93</strong></td>
<td><strong>4</strong></td>
<td><strong>0</strong></td>
<td><strong>40</strong></td>
</tr>
</tbody>
</table>

Source: Australian Industrial Registry, award modernisation research.

It was noted that apprentices employed under pre-modern award instruments in the Australian Capital Territory generally had to work to the satisfaction of their employer before they progressed to the second rate of pay, which applied to the second six months of employment. Most other awards had percentage pay rates that applied for each full year (with the exception of apprentices for a 3.5 year term, which all applied a rate for the first six months, then yearly rates).

Processes for early completion were not generally dealt with by industrial instruments. Outside of the multi-industry/occupation Queensland order, five metal industry awards allow for early completion and/or CBWP.380

While a number of awards did include recognition of pre-apprenticeship courses many did not. For the electrical trades in Queensland, the industrial instrument made it clear that no pre-apprenticeship courses would alter the competency-based nature of the apprenticeship program.

Analysis of industrial instruments covering the five key occupations also demonstrated that four-year apprenticeships were by far the most common duration. Diversity in the length of apprenticeships was most apparent in the food trade sector and in Western Australia.

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380 The Metal, Engineering and Associated Industries Award 1998 (AP789529CRV) [Fed] allowed CBWP and the following four pre-reform awards and NAPSA’s allow for the four-year timeframe to be varied by an approved competency-based scheme: Metal and Engineering Industry Award (AN170120) [Tas], Part III cl 5(d); Metal, Engineering and Associated Industries (State) Award (AN120334) [NSW], cl 5.1; Metal Trades (Australian Capital Territory) Award 2000 (AP787983) [Fed], cl 17.6.7(c); South Australian Government Departments and Instrumentalities (Metal Trades) Award 1999 (AP798297) [Fed], 15.5.10(b).
3.2.3 Specific matters

The following analysis outlines the key findings of the modern awards analysis across each of the following seven matters:

- the diversity of arrangements in apprentice wages across industries under the federal system, which offered differing wage arrangements for apprentices in like industries and occupations, noting examples of where there may be consistency in tradesperson rates across industries but not in apprentice wages;

- diversity of apprenticeship duration across instruments;

- provisions for early completion or CBWP;

- provisions allowing for accelerated commencement for completion of pre-apprenticeship programs and RPL;

- provisions for school-based apprenticeships;

- provisions for adult apprentices; and

- provisions for part-time apprentices.

3.2.3.1 The diversity of arrangements in apprentice wages across top five occupations and metals industry, which offer differing wage arrangements for apprentices in like industries and occupations

As with modern awards, the rates of pay for apprentices in pre-modern award instruments were largely provided for as a percentage of an adult base rate of pay, which is also commonly the standard C10 trade rate in the Metal, Engineering and Associated Industries Award 1998, (2009: $637.60 per week). Table 3.4 shows the usage of this rate of pay across the study. However, as will be outlined, this arrangement was not always standard and further, the percentage scales for each year of an apprenticeship were not standard at either an occupation/industry level or for like apprentices within instruments (in some cases differentiating upon state and territory lines in the same instrument).

Table 3.4: Prevalence of standard C10 trade rate across top 5 occupational groups and metal industry

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Apprentice pay structures</th>
<th>Number using C10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building, carpenters and coiners</td>
<td>33</td>
<td>25 (76%)</td>
</tr>
<tr>
<td>Electricians</td>
<td>16</td>
<td>6 (37%)</td>
</tr>
<tr>
<td>Automotive electricians and mechanics</td>
<td>14</td>
<td>9 (64%)</td>
</tr>
<tr>
<td>Food trades workers</td>
<td>90</td>
<td>62 (69%)</td>
</tr>
<tr>
<td>Plumbers</td>
<td>23</td>
<td>4 (17%)</td>
</tr>
<tr>
<td>Metals</td>
<td>31</td>
<td>16 (52%)</td>
</tr>
<tr>
<td>Total</td>
<td>205</td>
<td>121 (59%)</td>
</tr>
</tbody>
</table>

Source: Australian Industrial Registry, award modernisation research.

Note: This table summarises the comparative spreadsheets used for this analysis. An ‘apprentice pay structure’ refers to a set of percentage scales as they appear in the spreadsheets. One award may contain several apprentice pay structures based on apprenticeships of varying durations. Where awards do not specify the particular rate, the rate of pay closest or equal to the standard trade rate has been selected.

Note: ‘Supplementary payments’ have been included as part of the minimum wage.
Of the 205 apprentice pay structures considered in this analysis, 117 (57 per cent) used the standard trade rate (2009: $637.60) to calculate apprentice rates of pay. The usage of this rate was more concentrated in certain areas than others. In the Automotive electricians and mechanics group, all non-adult apprentice pay structures used the standard trade rate. On the other hand, only four of the 23 apprentice pay structures considered in the plumbers group used this rate. Of the 19 that used other base rates of pay, 12 used rates above the standard trade rate and seven used lower rates, with an average of $626.95. The awards considered under the Food trades workers group tended to show a strong connection with the standard trade rate, with the exclusion of the baking sector. When considered without the baking apprentice pay rates, the occupational group used the standard trade rate in almost 80 per cent of structures. The results within the baking sector were slightly skewed by the fact that there were three Western Australian state awards with three apprentice structures in each award, none of which used the C10 rate (two used $586.60, and the remaining award used $621.40). Of the 22 apprentice structures considered, eight used the C10 rate, with the non-C10 rates averaging $611.06. The Baking and Pastrycooking Industry (Northern Territory) Award 2002 rate of pay was set at a percentage of the trade classification in which the apprentice was employed, and the only trade classification was under the ‘Baking/ pastrycooking worker level 4’.381 This non-C10 rate represented the highest apprentice base rate used in this analysis, set at $723.00.

The building, carpenters and joiners group also used the standard trade rate to a large extent (76 per cent).382 Of the remaining 43 per cent of apprentice structures that did not use the standard trade rate, only a few used a base rate that departed from this trade rate by a significant amount.

3.2.3.1.1 Bricklayers, Carpenters and Joiners

Of the 10 awards that were considered under this occupation group all but one (Building Construction Industry Award—State 2003) contained apprentice pay structures. However, while the Building Construction Industry Award—State 2003 did not contain any apprentice provisions, the instrument was subject to Queensland state Orders (as with most Queensland awards) which outlined wages and conditions for apprentices in that industry and in most other industries and occupations (Queensland Industrial Relations Commission’s Qld Order and Qld GDGE Order).383 Within the occupation, some instruments contained diverse wage arrangements for apprentices undertaking the same trade apprenticeships. For example, the National Building and Construction Industry Award 2000 contained separate provisions for apprentices in South Australia, Tasmania, Western Australia and Victoria. The percentage scale to be applied to an apprentice was different in each of the four states. Each particular clause references the ‘appropriate tradespersons minimum weekly rate’. The outcome of this arrangement is that apprentices in different states working the same apprenticeship received different levels of remuneration. For example, a bricklayer working in Victoria will be entitled to 10 per cent less than an equivalent apprentice working in South Australia.384 This award also represents the high watermark for apprentice wages, as well as the lowest. Excluding Western Australia, the apprentice percentage scales provide for a 90 per cent apportionment of the

381 See Baking and Pastrycooking Industry (Northern Territory) Award 2002 (AP819011CRN) [Fed], cl 4.4.
382 Under this group, the standard trade rate was taken to include $637.70, due to an anomaly that was created as a result of the Australian Industrial Relations Commission’s minimum wage decision in 2006. Before the increase of $27.40 per week was awarded to the federal minimum wage the wage was set at $484.40. The increase should have taken the FMW to $511.80, however the decision published the new FMW as $511.90, creating a 10 cent disparity present in some awards. See AIRC, Wages and Allowances Review 2006, PR002006, 8 December 2006, at para 19.
384 See below for the interaction with allowances as part of the take home pay of apprentices and how this applies differently in different states.
base rate (the C10 trade rate) to fourth-year apprentices, equating to $573.93 per week (rounded to the nearest 10 cents) / $15.10 per hour. At the other end of the scale, for the first three months, a Victorian apprentice bricklayer stands to receive 30 per cent of the base rate, or $191.31 per week/ $5.03 per hour.

The Building and Construction Industry (Northern Territory) Award 2002 drew a wage distinction between off-site (maintenance or shop work) and on-site (construction), with on-site work receiving a higher rate of pay, which flowed onto apprentices.

Unlike the majority of awards, the Building and Construction Industry (State) Award included the apprentice wage in dollar amounts, separately setting out the base rate, industry allowance (full) and the special allowance. In order to determine the applicable apprentice wage with the minimum wage increases for 2006, 2007 and 2008, the base rate dollar amount was converted into a percentage of the Construction Worker 3 (CW3) basic periodic rate of pay (standard trade rate), and this percentage was then applied to the current CW3 rate. This award also distinguished ‘indentured apprentices’ and ‘trainee apprentices’. This is the only award in this occupation to make this distinction. In hearings for the award modernisation process, parties described the reasoning behind the higher percentage rate which is apportioned to trainee apprentices under this instrument being that they do not have the security of employment afforded to ‘indentured apprentices’ in the award. Despite submissions made on behalf of the Civil Contractors Federation to retain these two types of apprenticeships, these were not carried across to the resultant modern award.

Overall in this occupation, a Victorian bricklayer covered under the National Building and Construction Industry Award 2000 would receive the lowest apprentice percentage for a final-year apprentice (80 per cent for final year) which also worked out to be the lowest final-year minimum wage ($543.50).

This occupational group was an example of allowances being typically provided as part of the minimum ordinary rate of pay for apprentices. However it is relevant to note that of the nine awards that provided for apprentices, six included an allowance as part of the minimum ordinary rate of pay to be paid to apprentices. Of the three remaining awards, two awards include the allowances in addition to the apprentice wages, while the Building and Construction Industry (Northern Territory) Award 2002 has allowances incorporated into the adult minimum rates of pay to which the apprentice percentage is applied, which in effect is akin to the first arrangement.

### 3.2.3.1.2 Electricians

Of the eight awards considered under this occupation grouping, the Electroskills Industry Training Award 2002 and Electrical Contracting Industry Award—State 2003 were the only awards not to provide apprentice rates of pay. The former award however has had its substantive terms replaced by the NTW Award 2000, while the latter is a Queensland award, which has apprentice provisions contained in the Qld Order.

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385 Compared to other awards that include a special allowance of $7.70, this special allowance goes in excess of $40 for a fourth-year trainee apprentice. See cl 18.1.2.1(ii). This is despite tradespersons and labourers only being entitled to the standard $7.70 special allowance; see cl 18.2. This odd result was not observed in any other award.

386 This was discussed during the creation of the relevant modern award, the Building and Construction General On-Site Award 2010 (MA000020) [Fed]. See AIRC, Award Modernisation, Transcript of Proceedings, AM2008/13-24, 24 February 2009, PN1380 (I Dixon, appearing for the Civil Contractors Federation).

387 AIRC, Award Modernisation, Transcript of Proceedings, AM2008/13-24, 24 February 2009, PN1380-PN1381 (I Dixon)

388 In relation to the exclusion of allowances from the wage calculations used in the pre-modern award analysis, see footnote 374.

389 National Training Wage Award 2000 (AF790899CAN) [Fed] cl 5.1.
Like the National Building and Construction Industry Award 2000 in the Bricklayers, Carpenters and Joiners occupation group above, the main award covering electricians, the National Electrical, Electronic and Communications Contracting Industry Award 1998, provided for different apprentice rates for different states. Under this award, Victorian electrical apprentices receive the lowest apprentice percentage of the states listed (82 per cent for a fourth-year apprentice) though the applicable base rate of pay is specified to be the Victorian—Electrical Worker Grade 5 rate, which is above the C10 trade rate in the Metal, Engineering and Associated Industries Award 1998 at $684.60.391 Electricians employed in Australian Capital Territory receive the highest wage ($601.80 per week), set for a fourth-year apprentice, at 90 per cent of the ACT—Electrical Worker Grade 5 rate, which is also in excess of the C10 rate ($680.90 per week). The Australian Capital Territory apprentice provisions under this award also represent the only example of wage progression being subject to the employer’s satisfaction. This is only for the progression from the first six months, to the second six months rate of pay.

Three awards expressed apprentice rates in dollar amounts instead of a percentage of the applicable trade rate, they were:

- Electrical Engineering and Contracting Industries (Northern Territory) Award 2002;
- Electrical, Electronic and Communications Contracting Industry (State) Award 2004; and
- Electricians, &c. (State) Award.

The final two awards in the above list were the only awards to draw the wage rate distinction between ‘indentured apprentices’ and ‘trainee apprentices’.

### 3.2.3.1.3 Automotive Electricians and Mechanic

Under the ANZSCO classification structure this minor group includes the unit groups of automotive electricians and motor mechanics. As Table 3.5 shows, these occupations are captured under two Commission panel industries, the Vehicle (repair, service and retail) industry, and the Vehicle manufacturing industry.

Apprenticeships in this occupation group were provided for in eight of the 12 awards and, where provided for, all apprentice rates of pay are based on the C10 trade rate in the Metal, Engineering and Associated Industries Award 1998, with the exception of the Manufacturing Industry Sector Minimum Wage Order, which specified the Level 5 rate of pay, $637.40 per week.392 This commonality between awards was also shared in terms of the actual apprentice percentages and rate of progression. The product of these two features means that apprenticeships spanning this industry offer apprentices the same rates of pay. Table 3.5 summarises the apprenticeships available under the awards considered. The Coachmakers &c., Road Perambulator Manufacturers (State) Award was the only award with a different percentage progression.

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390 As identified in the award modernisation process, see methodology.
391 Metal, Engineering and Associated Industries Award 1998 (AP789529CRV) [Fed], cl 17.7.1.
392 This anomaly is the product of wages under the award being expressed as an hourly rate ($15.21), that is, the effects of rounding.
Table 3.5: Apprentice pay structures under the Automotive Electricians and Mechanics occupation group

<table>
<thead>
<tr>
<th>Year</th>
<th>Coachmakers &amp;c., Road Perambulator Manufacturers (State) Award</th>
<th>All other awards providing apprentice rates</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>%</td>
<td>$</td>
</tr>
<tr>
<td>First year</td>
<td>44.50</td>
<td>283.70</td>
</tr>
<tr>
<td>Second year</td>
<td>58.25</td>
<td>371.40</td>
</tr>
<tr>
<td>Third year</td>
<td>77.25</td>
<td>492.60</td>
</tr>
<tr>
<td>Fourth year</td>
<td>89.00</td>
<td>567.50</td>
</tr>
</tbody>
</table>

Source: Australian Industrial Registry, award modernisation research.
Note: C10 tradespersons classification rate used.

It is worth noting that, while the percentage progression is not radically different, the 3.25 per cent difference between the second-year apprentices results in a $20.30 per week pay disparity.

The main award, Vehicle Industry Award 2000, was the sole award to provide for a ‘Higher Engineering Tradesperson Apprenticeship’. Under this apprenticeship, the first three years were to be paid at the rate for an ‘apprentice engineering tradesperson’, with the fourth year paid at 88 per cent of the V7 rate, which equates to $597.80 per week.394

3.2.3.1.4 Food trades workers

As Table 3.2 shows, this group of workers was covered by the majority of awards considered in this pre-modern award analysis. Of the 93 awards, 47 contained apprentice provisions (49 per cent). As discussed in the methodology, the scope of awards considered under this occupational grouping included the Commission’s industry panel of food, beverages and tobacco. This included a range of sectors that do not fall within the ANZSCO unit group. Of the 33 awards that fall in this group, only one award contained an apprentice pay structure. So, excluding these awards, there are 60 pre-reform awards and NAPSAs forming part of the analysis under the food trades workers group, with 46 containing apprentice pay structures (77 per cent).

There was a great deal of variance between the awards in terms of the percentage progression through the apprenticeship. Chart 3.1 below shows the highest percentage of the trade rate available for the different apprenticeships available under the awards with apprentice provisions (the data used to derive this is available in Appendix 6).

393 This term/rate is not defined in the Vehicle Industry Award 2000 (AP80181CRV) [Fed].
394 See Vehicle Industry Award 2000 (AP80181CRV) [Fed], cl 4.1.6(p).
There were a total of 91 relevant apprentice pay structures provided by the 47 awards containing apprentice provisions. Not shown in the above figure, are five apprentice pay structures that set the final apprentice pay rate as the midpoint between two other pay rates.

Chart 3.1 shows the wide range of percentages of the tradespersons rates (from 71 per cent to 100 per cent) paid to final year/stage apprentices for Foods trades workers. As was discussed in the modern awards analysis, the percentage is only one factor in determining dollar amounts paid to apprentices, so, in dollar terms this equated to a range of between $425.00 per week to $637.60 per week for final/year stage food trades workers.

This variation is an indication of the different treatment of similar apprenticeships by state industrial relations commissions, but also because a wide range of apprenticeships have been considered under this group. In adopting the chosen methodology, apprenticeships outside this occupation group have been considered here (such as greenkeepers), as well as apprenticeships outside the major group of Technicians and Trade Workers (such as waiters). The conditions and industry practices between these different fields vary significantly, and this is reflected in the pay structure and other factors such as the apprentice duration (see below).

The main award in the catering sector, the Catering—Victoria—Award 1998 and the Hospitality Industry—Accommodation, Hotels, Resorts and Gaming Award 1998 apply the ‘midpoint’ approach mentioned above, where the apprentices rate of pay is determined by finding the average between two specified rates of pay. Victorian waiting apprentices are entitled to this method of payment, which results in a larger pay gap between the equivalent Tasmanian apprentices of $44.49 per week.

In one award, the Bread Trade (Victoria) Award 1999, a different set of apprentice percentages applied to a different base rate of pay for work performed on a Saturday or Sunday.

395 See Industrial Catering Workers’ Award 1977 (AN160179) [Fed], cl 41.
396 See Hotel Employees (State) Award (AN120249) [NSW], cl 10(d)(ii).
397 Greenkeepers fall under the 362 Horticultural Trade Workers ANZSCO unit group.
398 Waiters fall under the major group 4 Community and Personal Service Workers, 431 Hospitality Workers.
399 See cl 15.4.8(b). Note the classification ‘All other engaged in the making and/or baking of bread’ did not exist, so the classification ‘Bread Trade Employee’ has been used in the comparative schedule.
Of the sectors within the Food, Beverage and Tobacco Manufacturing industry as identified by the Commission, that do not strictly fall within the ANZSCO minor group, only one out of 27 awards contained apprentice rates. The Dairy Processing Award uses the Trade Level 1 classification as the base rate applicable to determine minimum rates of pay for apprentices, which is the highest rate used to calculate apprentice rates at $658.50 per week.

3.2.3.1.5 Plumbers

During the creation of the Plumbing and Fire Sprinklers Award 2010, the Master Plumbers and Mechanical Services Association of Australia, tendered a table headed ‘Apprentice matrix’ into evidence. In introducing the document, Mr Shaw (on behalf of Master Plumbers Mechanical Services Association of Australia) noted the diversity of arrangements in plumbing rates:

It’s a matrix taken from all the existing awards for plumbing rates. It’s a matter that deals with the transition process to try and achieve uniformity by 2014. It’s really an endeavour to show the Benches and the parties that there is some difficulty there.400

Of the 11 significant awards regulating this occupation, 10 contained apprentice pay structures.401 The main award provided for apprenticeships in South Australia, Tasmania and Victoria. This award, as well as the Plumber and Gasfitters (South Australia) Award, contained two sets of apprentice pay structures, with a slight pay difference between the two apprentice base pay rates of $2.80 per week.402 The Plumber and Gasfitters (South Australia) Award similarly contained two sets of apprentices wage structures, one in clause 30 and the other in Appendix A (applying in lieu of clause 30 to apprentices employed under the terms of the Appendix). The pay difference between the two base rates was larger in this award, at $14.20.403

One award, the Plumbers and Gasfitters (State) Consolidated Award, distinguished indentured apprentices and trainee apprentices.404 This award was also the only award that provided apprentice rates in terms of dollar amounts, with no accompanying percentages.

Again, the Australian Capital Territory pre-reform award, Plumbing Industry (Australian Capital Territory) Award 1999, provides for progression from the first pay rate contingent on the satisfactory progress of the apprentice.405

In terms of an apprentice base rate of pay comparison, the awards considered under this unit group do not exhibit a great deal of diversity. For a fourth-year apprentice, the highest rate of pay was $577.17 under The Sprinkler Pipe Fitters’ Award 1998, while the lowest was $563.64, in the Plumbing Industry (QLD and WA) Award 1999. This difference is mainly due to the Western Australian apprentice receiving 88 per cent of the applicable base rate, compared to the 90 per cent seen in all other awards. While this conclusion ostensibly goes against the comments of Mr Shaw, it should be borne in mind that the impact of allowances, and the difference between the states in that regard, have not formed a part of this analysis.406

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400 See AIRC, Award Modernisation, Transcript of Proceedings, AM2008/13-24, 24 February 2009, PN1302 (Shaw) [emphasis added].
401 The Plumbing Industry (New South Wages) Award 1999 (AP792368) [Fed] was the only award that did not contain apprentice rates of pay.
402 See Plumbing Trades (Southern States) Construction Award, 1999 (AP792355CRV) [Fed], cl 37, Appendix A cl. 9.3- 9.5.
403 See Plumbers and Gasfitters (South Australia) Award (AN150110) [SA], sch 1 item 30, Appendix A cl 9.1.
404 Plumbers and Gasfitters (State) Consolidated Award (AN120684) [NSW], Part B, Table 1 (ii).
405 See Plumbing Industry (Australian Capital Territory) Award 1999 (AP7922330CRA) [Fed], cl 33.1.
406 Notably, the ‘Apprentice Matrix’, shows the differences in apprentice allowances and whether or not they apply in different States.
3.2.3.1.6 Metals industry

The main award in the metals industry provided an apprenticeship pay structure similar to the NTW, where rates of pay varied depending on the year of high school completed. The four remaining pre-reform awards contained clauses for four-year apprenticeships. The Australian Capital Territory award made progression to the second six months of the first year rate of pay contingent on satisfactory progress.

While Table 3.4 indicates that 52 per cent of metals awards use the standard trade rate as the base rate applying to apprentice percentages, if adult apprentices are excluded, there are 25 apprentice pay structures considered in the comparative spreadsheets and 21 of these (84 per cent) use a base rate equal or within $5.00 to the C10 trade rate.

The Metal Industry (South Australia) Award provided specifically for a metal polishing apprenticeship which was three-year apprenticeship with a different percentage progression subject to the C11 rate. A first year metal polishing apprentice would receive $4.97 per hour, compared to the $7.05 per hour applying to general apprentices.407

3.2.3.2 Diversity of apprenticeship duration

Of the Commission's key awards in the five key occupations and one industry examined by this pre-modern award analysis, the vast majority of apprenticeships are set out as nominally being four years in duration.408 Despite the commonality of the four-year time length, 2½, three and 3½-year apprenticeship time lengths are common to some particular occupations. Of industrial instruments covering apprentices in the plumbing industry only the Plumbing Industry (Qld and WA) Award 1999409 varies from the four year nominal time frame. In this award, in addition to providing for a four year apprenticeship, apprenticeships of three and three and a half year and five years duration are allowed, but these durations are only available in Western Australia.410

Of industrial instruments covering bricklaying apprentices, two awards provide for apprenticeships with durations different to the usual nominal four-year period. The National Building and Construction Industry Award 2000 provides for bricklaying apprenticeships in Victoria with a nominal duration of three years.411 The Building Trades (Construction) Award 1987 allows for bricklaying apprenticeships of either four, three and a half, three or two years.412 Within the building industry, apprenticeships for roof slaters and tilers also vary from the four year length: the Roof Slaters and Tilers (Victoria) Award 2002413 and the Tasmanian Building and Construction Industry Award414 both set out three-year durations.

407 These are listed at Metal Industry (South Australia) Award (AN150082) [SA], cl 15(a)—Section I. General. The difference equates to more than $79 per week.
408 As has been discussed above, Queensland apprenticeships, through the 2003 Orders, operate in a different manner. Apprenticeships, with a few exceptions not relevant to the current discussion, operate on the basis of a four-stage (rather than year) process. An apprentice completes a stage when they either reach the required competency to progress or have served 12 months at that level.
409 Plumbing Industry (Qld and WA) Award 1999 (AP792354) [Fed], cl. 6(b).
410 Plumbing Industry (Qld and WA) Award 1999 (AP792354) [Fed], cl. 37.
411 National Building and Construction Industry Award 2000 (AP790741) [Fed], cl. 20.2.
412 Building Trades (Construction) Award 1987 (AN160034) [WA], cl. 41(t)(a).
414 Building and Construction Industry Award (AN170010) [Tas], cl. 48(b).
Apprentice electricians and mechanics in the Automotive industry, as provided for by industrial instruments, serve four-year terms. The one exception to this is the Vehicle Builders’ Award 1971. Under this award, general apprentices can also serve apprenticeships of three or 3½ years. Likewise, within the electrical trades, only one award varies from the standard four-year duration. The Electrical Contracting Industry Award R 22 of 1978 allows apprentices to serve either three or 3½-year terms.

In the Metals trades, five awards provide for apprenticeships of a time length other than four years. The federal Metal, Engineering and Associated Industries Award 1998 provides for a four stage CBWP structure. An apprentice either progresses to the next stage through achieving the competency required or by serving 12 months at that level, whichever comes first. South Australia’s Metal Industry (South Australia) Award sets out that apprentices in the field of metal polishing are to complete an apprenticeship three years in length. In Western Australia, three awards, the Electronics Industry Award No. A22 of 1985, the Gate, Fence and Frames Manufacturing Award, and the Metal Trades (General) Award 1966, provide the option for apprentices of four, three and a half or three years in duration.

Variation from the four-year apprenticeship is most common in the Food Trades sector. In this sector ‘Waiting apprenticeships’ are commonly two and a half years. The Catering—Victoria—Award 1998 allows for a two-year apprenticeship in waiting. In the Baking industry, several awards make three and three and a half year apprenticeships common.

Four year apprenticeships are by far the most common nominal duration for apprenticeships across most sectors and states and territories. However, apprenticeships of shorter duration appear to be quite common in the Food Trades. Apprenticeships with nominal durations other than four years, from examination of the five key occupations, appear to be most common in Western Australia, Victoria and Tasmania.

3.2.3.3 Early completion of apprenticeships

3.2.3.3.1 Queensland pre-modern award instruments

For pre-modern award instruments derived from Queensland state awards, early completion or competency-based wages progression is facilitated in most awards by default provisions provided for by the preserved Qld Order and the Qld GDGE Order. The Qld Order through the various schedules provides for 22 specific apprenticeships as well as one generic or default scheme for all other apprenticeships which are not specifically excluded. Nineteen of these, including the generic scheme in Schedule 1, provide for CBWP which allows an apprentice to complete an apprenticeship earlier than a fixed timeframe. In the five key occupations and one industry examined, three had CBWP structures available though these provisions were not universally available to all occupations within this group.

415 Vehicle Builders’ Award 1971 (AN160328) [WA], cl. 9(4).
416 Electrical Contracting Industry Award R 22 of 1978 (AN160108) [WA], sch 1, cl. 4.
417 Metal, Engineering and Associated Industries Award 1998 (AP789529CRV) [Fed], cl. 5.3.1.
418 Metal, Engineering and Associated Industries Award 1998 (AP789529CRV) [Fed], cl. 5.3.2(a) to (c) for; Engineering Trades Person, Higher Engineering Trades Person and Advanced Engineering Trades Person apprenticeships.
419 Metal Industry (South Australia) Award (AN150082) [SA], cl. 15, s III(i). 420 Electronics Industry Award No. A22 of 1985 (AN160112) [WA], Part I, cl. 33(3).
421 Gate, Fence and Frames Manufacturing Award (AN160140) [WA], sch 1, item 3(a).
422 Metal Trades (General) Award 1966 (AN160206) [WA], Part II, cl. 10.
423 Catering—Victoria—Award 1998 (AN772681) [Fed], cl. 17(10).
424 Bakers’ (County) Award No. 18 of 1977 (AN160022) [WA], Bakers’ (Metropolitan) Award No. 13 of 1987 (AN160023) [WA], Baking Industry Award (AN170007) [Tas], Pastrycooks’ Award No. 24 of 1981 (AN160242) [WA], Baking and Pastrycooking Industry (Northern Territory) Award 2002 (AP819011CRN) [Fed].
As a result of the Qld Orders, the following occupations had CBWP arrangements available to them in the Queensland jurisdiction:

- Though plumbing apprentices are generally excluded from the Qld Order’s CBWP model, Sprinkler Pipe Fitting Apprentices (under clause 4.1.1(b) of Schedule 4) have access to a four-stage CBWP process for the completion of their apprenticeship. Under this arrangement, a Sprinkler Pipe Fitting Apprentice could complete each stage either by meeting the required competency or after 12 months spent at that stage.

- Bricklaying apprentices—Clause 2.1.1(a) of Schedule 4 states that the generic Schedule 1 four-stage path in the Qld Order is to apply to these apprentices.

- Automotive apprenticeships—covered by clause 2.2.2 of Schedule 3, follow a four stage system where an apprentice either achieves competency or serves out 12 months at a particular level before progressing to the next one.

Some occupations included in this analysis were excluded by the Qld Order and as such do not have CBWP arrangements available to them: (apprentices employed under the Food Processing Training Package, including bread baking and pastry cook apprentices, Meat processing and Meat retailing industries, most Plumbing apprentices and apprentices in the Electrotechnology industry are unable to complete apprenticeships earlier than four years).

### 3.2.3.3.2 Early completion facilitated through some federal metals pre-modern award instruments

Apprentices in the metals industry did have CBWP arrangements available provided they were covered by the federal Metal, Engineering and Associated Industries Award 1998, which allowed for the early completion of an apprenticeship based on CBWP through a four-stage scheme. Under this award, an apprentice could progress to the next stage by either achieving competency or serving 12 months at that level. The Metal, Engineering and Associated Industries Award 1998 is the only pre-modern award instrument covering the metals industry to include such a scheme for early completion within the clauses of the award. However, four other awards, while setting out time-served schemes, allow the periods to be varied according to an ‘approved competency based training program’ found in the Metal, Engineering and Associated Industries Award 1998.

Outside Queensland and the federal Metal, Engineering and Associated Industries Award 1998, industrial instruments in the occupations and industry analysed were generally silent on the arrangements for CBWP. However, as later discussed in Chapter 4, VET legislation in each state and territory does, through its regulation of training arrangements, allow for CBTP through allowing early completion.

### 3.2.3.4 Accelerated commencement for completion of pre-apprenticeship programs and Recognition of Prior Learning

Most industrial instruments identified within the five key occupations and one industry were silent on the treatment of pre-apprenticeship programs. The Qld Order however explicitly outlines how pre-apprenticeship courses are to be treated in the Automotive, Plumbing and Electrotechnology (Electrical trades) sectors. In the Automotive industry, apprentices who have completed an approved pre-apprenticeship course will begin at first-
year (level one) rates before progressing to second-year wages after six months.\textsuperscript{427} This is the same for plumbers, with the condition that they completed the pre-apprenticeship no more than 14 months before commencing the apprenticeship.\textsuperscript{428} For apprentices in the Electrical trades, the Qld Order specifically states that no time credit will be given. Apprentices can progress only according to competency as assessed by the RTO.\textsuperscript{429}

In the Bricklayers, Carpenters and Joiners occupation, the \textit{National Building and Construction Industry Award 2000} allows painter and sign writer apprentices to complete a three year apprenticeship if they have completed an approved pre-apprenticeship program.\textsuperscript{430} Without completing such a program, an apprentice must complete an apprenticeship of four years.\textsuperscript{431} Under the \textit{National Joinery and Building Trades Products Award 2002}, carpenter and joiner apprentices who have completed pre-apprenticeship courses receive, from the outset, 45 per cent of the Group 5 rate for the first year.\textsuperscript{432} Those that have not completed an approved pre-apprenticeship course, begin on 35 per cent of the Group 5 rate for the first three months before moving on to 45 per cent for the rest of the first year.\textsuperscript{433} There are no other differences in wage or the time of completion after this initial three-month period. The \textit{Building and Construction Industry (State) Award (NSW)} also allowed credits to be given where an approved pre-apprenticeship course has been completed.\textsuperscript{434}

In the plumbing occupation category, several state and federal awards recognise that credit may be given towards an apprenticeship where applicable.\textsuperscript{435} The \textit{Plumbers and Gasfitters (State) Consolidated Award (NSW)} sets out in clause 6(b) that apprentices who have completed an approved pre-apprenticeship course will progress to second-year wages after six months rather than after 12 months. In the food sector, both the \textit{Caterers Employees (State) Award} and the \textit{Bread Trade (Victoria) Award 1999} allow for apprentices to receive credit for pre-apprenticeship courses.\textsuperscript{436}

### 3.2.3.5 School-based apprenticeships

School-based apprentices featured to a very limited extent in the pre-modern awards instruments in the top five occupations and one industry. Four awards, listed below, in the Food Trades Workers occupation group did, however, contain clauses pertaining to school-based apprentices:

- \textit{Liquor and Allied Industries Catering, Cafe, Restaurant, Etc. (Australian Capital Territory) Award 1998};\textsuperscript{437}
- \textit{Bakers (Australian Capital Territory) Award 1998};\textsuperscript{438}
- \textit{Bread Trade (Victoria) Award 1999};\textsuperscript{439} and
- \textit{Hotels, Motels, Wine Saloons, Catering, Accommodation, Clubs and Casino Employees (Northern Territory) Award 2002}.\textsuperscript{440}

\textsuperscript{427} Order—Apprentices’ and Trainees’ Wages and Conditions (Excluding Certain Queensland Government Entities) 2003 (AN140326) [Qld], sch 3, item 4.3.
\textsuperscript{428} Order—Apprentices’ and Trainees’ Wages and Conditions (Excluding Certain Queensland Government Entities) 2003 (AN140326) [Qld], sch 4, item 6.4.
\textsuperscript{429} Order—Apprentices’ and Trainees’ Wages and Conditions (Excluding Certain Queensland Government Entities) 2003 (AN140326) [Qld], sch 22, item 2.4.5.
\textsuperscript{430} National Building and Construction Industry Award 2000 (AP790741) [Fed], cl. 20.4.3(c).
\textsuperscript{431} National Building and Construction Industry Award 2000 (AP790741) [Fed], cl. 20.4.3(c).
\textsuperscript{432} National Joinery and Building Trades Products Award 2002 (AP817265CRV) [Fed], cl. 18.4.1(a)-(e).
\textsuperscript{433} National Joinery and Building Trades Products Award 2002 (AP817265CRV) [Fed], cl. 18.4.1(a)-(e).
\textsuperscript{434} Building and Construction Industry (State) Award (NSW) (AN120089) [NSW], cl. 18.1.2.4
\textsuperscript{435} Plumbing Trades (Southern States) Construction Award 1999 (AP792335CRV) [Fed], cl. 37.3.3; Plumbing Trades (Mixed Industry) Award 2000 (AP792574) [Fed], cl. 30.4; Plumbing Industry (Victorian Government Departments, Instrumentalities and Public Hospitals) Award 2000 (AP792370) [Fed], cl. 31.3.
\textsuperscript{436} Caterers Employees (State) Award (AN120106) [Fed], cl. 14.1; Bread Trade (Victoria) Award 1999 (AP769688CRV) [Fed], cl. 15.4.1.
\textsuperscript{437} Liquor and Allied Industries Catering, Cafe, Restaurant, Etc. (Australian Capital Territory) Award 1998 (AP787016CRV) [Fed], cl. 25.4.
\textsuperscript{438} Bakers (Australian Capital Territory) Award 1998 (AP769420CRA) [Fed], cl. 17.5.
\textsuperscript{439} Bread Trade (Victoria) Award 1999 (AP769688CRV) [Fed], cl. 15.4A.
\textsuperscript{440} Hotels, Motels, Wine Saloons, Catering, Accommodation, Clubs and Casino Employees (Northern Territory) Award 2002 (AP812953CRN) [Fed], Appendix A.
These awards were in the catering and baking sector and provided that the hourly rates for full-time apprentices contained in the award were to apply to school-based apprentices for their total hours worked and time spent in off-the-job training (which is taken to be 25 per cent of the actual hours worked each week on-the-job). Where the apprentice is a full-time school student, the hours spent in off-the-job training are taken to be 25 per cent of the actual hours worked each week on-the-job.441

3.2.3.6 Adult apprenticeships

3.2.3.6.1 Bricklayers, carpenters and joiners

Four of the nine awards in this occupational group provided for an employee under the age of 21, who has completed an apprenticeship, to be paid at the appropriate adult rate if commencing employment in the occupation for which the employee has been apprenticed.442 Two of these awards, the National Building and Construction Industry Award 2000 and the National Joinery and Building Trades Products Award 2002, in which apprentices were dealt with multiple times for different states, provided such entitlements only for South Australia.443 Under these two awards, South Australia was also the only state to provide for unapprenticed juniors reaching the age of 21, providing that they were to receive at least the adult minimum wage. This entitlement was also provided for in the Building and Construction Industry (Northern Territory) Award 2002, although in relation to apprentices that reach 21.444

As mentioned above, the wages and conditions of Queensland apprentices are provided by the Qld Order. This instrument provides for separate adult apprentice wages445 and, similar to apprentices in South Australia, states in a variety of industry schedules that adults shall not receive less than a certain amount (for example, the Queensland Minimum Wage or different specified dollar amount).446 The exclusion of adult apprentice wages in the applicable modern award to this occupation group was objected to by Electrical Communications Association of Queensland and Australian Business Industrial.447

3.2.3.6.2 Electricians

Two awards, out of six with apprentice provisions in this occupation group, provided rates for adult apprentices:

- Electrical Engineering and Contracting Industries (Northern Territory) Award 2002;448
- Electrical Contracting Industry Award R 22 of 1978.449

The first award provided a minimum dollar amount which the apprentice is to be paid upon reaching the age of 21. When converted to a percentage of the Electrical Tradesman 1 rate, and applied to the current rate of pay, the minimum weekly adult apprentice payment is $562.80. The adult apprentice provisions in the second award, a Western Australian transitional award, were expressed as a percentage of the electrical installer’s rate. Under

441 This may only apply if the school-based apprentice is a full-time student. See Bread Trade (Victoria) Award 1999 (AP769688CRV) [Fed], cl. 15.4A.2. Cf Bakers (Australian Capital Territory) Award 1998 (AP769420CRCA) [Fed], cl. 17.5.2(b).
442 For example, see National Building and Construction Industry Award 2000 (AP790741CRV) [Fed], cl. 20.2.6.
443 See National Building and Construction Industry Award 2000 (AP790741CRV) [Fed], cl. 20.1.1, 20.2.6; National Joinery and Building Trades Products Award 2002 (AP817253CRV) [Fed], cl. 18.2.1, 18.3.6.
444 Building and Construction Industry (Northern Territory) Award 2002 (AP819377CRN) [Fed], cl. 9.1.4.
445 See Order—Apprentices’ and Trainees’ Wages and Conditions (Excluding Certain Queensland Government Entities) 2003 (AN140326) [Qld], cl. 4.9.
446 See Order—Apprentices’ and Trainees’ Wages and Conditions (Excluding Certain Queensland Government Entities) 2003 (AN140326) [Qld], sch 9, item 5.1 and sch 3, item 6.6 respectively.
448 Electrical Engineering and Contracting Industries (Northern Territory) Award 2002 (AP819377CRN) [Fed], cl. 11.8.
449 Electrical Contracting Industry Award R 22 of 1978 (AN160108) [WA], cl. 18(9)(a).
this award an adult apprentice receives $459.42 per week, unless in the final year of an apprentice, where the rate of pay is $541.70 per week.

### 3.2.3.6.3 Automotive Electricians and Mechanic

Of the eight awards covering this group of occupations, three contained a percentage progression for adult apprentices, as set out in Table 3.6 below.\(^{450}\) Where this wage progression was adopted, the awards also included actual dollar figures prescribing the minimum adult apprentice rate of pay for each year of the apprenticeship.

#### Table 3.6: Pre-modern award instruments and apprentice wages: adult apprentice pay rates for automotive electricians and mechanics occupation

<table>
<thead>
<tr>
<th>Year</th>
<th>Adult apprentice pay rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>First year</td>
<td>National Training Wage Award—Skill Level ‘B’ exit rate(^{452})</td>
</tr>
<tr>
<td>Second year</td>
<td>Vehicle Industry/Production employee Level I—V1, or Vehicle Industry RS&amp;R employee—Level 1 R1</td>
</tr>
<tr>
<td>Third year</td>
<td>Vehicle Industry/Production employee Level II—V2, or Vehicle Industry RS&amp;R employee—Level 2 R2</td>
</tr>
<tr>
<td>Fourth year</td>
<td>Vehicle Industry/Production employee Level III—V3, Vehicle Industry RS&amp;R employee—Level 3 R3</td>
</tr>
</tbody>
</table>


Six awards in this occupation group also featured a provision to the effect that, where a person was employed by the employer immediately prior to becoming an adult apprentice, that person would not suffer a reduction in their rate of pay by virtue of becoming indentured\(^{453}\).

Two awards provided that the rate of pay for an adult apprentice should not be below a certain dollar figure. In one case this is done by expressly specifying a dollar amount,\(^{453}\) in the other, the floor rate of pay is set by reference to a wage rate in the classifications.\(^{454}\)

The Coachmakers &c., Road Perambulator Manufacturers (State) Award provided a similar provision to the National Building and Construction Industry Award 2000 in the Bricklayers, carpenters and joiners occupation group, which ensured that where an employee completes an apprenticeship and begins employment while still a minor, he/she is not to be paid less than the full adult rate prescribed for the relevant classification.\(^{455}\)

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\(^{450}\) Eg, see Vehicle Industry Award 2000 (AP801818CRV) [Fed], cl. 5.1.(i).  
\(^{451}\) The AIR adopted the approach of converting this figure into a percentage of the standard C10 trade rate (79.56%) and applying it to the increase tradespersons rate.  
\(^{452}\) See Coachmakers, &c., Rail (State) Award (AN120139) [NSW], cl 13(c)(ii). Note this award made full provision for apprentices, however did not include the percentage amounts, nor the specified base rate of pay in Table 1—Wages (see cl 12(i)).  
\(^{453}\) See Vehicle Builders’ Award 1971 (AN160328) [WA], cl 9(9)(h)(i).  
\(^{454}\) See Automotive Services (Northern Territory) Award 2002 (AP818846CRN) [Fed], cl 12.2.  
\(^{455}\) See Coachmakers &c., Road Perambulator Manufacturers (State) Award (AN120140) [NSW], cl 7(i)(iii).
3.2.3.6.4 Food trades workers

A total of 13 awards (28 per cent of the total 46 containing apprentice rates of pay in this occupation group) contained provisions relating to adult apprentices. Of these, eight were Western Australian awards that contained the standard Minimum Adult Award Wage clause, which specified that an apprentice aged 21 or over must not be paid less than a set dollar amount ($448.48 when increased in proportion to the standard C10 trade rate). The remaining five awards are summarised below:

- Adult apprentices under the Hotel, Clubs, Etc., Award received an increased percentage (95 per cent) to a lesser rate of pay (Level 3: $606.70 per week), which amounts to an extra $18.50 per week from the fourth-year apprentice rate. This amount is obviously greater if the adult apprentice is in an earlier year. For example, a first year adult apprentice would receive the minimum adult entitlement of $576.40/week, instead of the first year apprentice rate of $350.70/week, an increase of $225.70/week. See Hotel, Clubs, Etc., Award (AN150066) [NSW], sch 1, item S1.1.2.
- In contrast, the Bread and Yeast Goods Award also allows for an increase percentage to adult apprentices, at 93 per cent, however applies it to the same base rate as non-adult apprentices (the trades rate). This additional 8 per cent applied to the standard trade rate results in an increase of $51.00 per week from the fourth year apprentice rate.
- The Cake & Pastry Baking Trades Award provided that adult apprentices are to be paid at Level 4, $606.40 per week.
- The Pastrycooks, &c. (State) Award stated that the minimum rate of pay for an adult apprentice is to be set at the second-year rate for the first two years of indenture.
- The Delicatessens, Canteens, Unlicensed Cafes and Restaurants Etc. Award specified a minimum dollar amount for adult apprentices, which is between the rate for a third-year and a fourth-year apprentice.

Of the 27 awards identified as significant in the poultry processing, general food, dairy, confectionary and aerated waters sectors, two contained the minimum adult apprentice provisions.

3.2.3.6.5 Plumbers

The main federal award in this occupation group, the Plumbing Trades (Southern States) Construction Award, 1999, provided that adult apprentices in South Australia are to receive at least the South Australian state minimum adult wage for adult males, and that if an employee completes an apprenticeship while still a minor, they are to be paid the adult rate for the relevant classification.

One award, The Sprinkler Pipe Fitters’ Award 1998, provided that adult apprentices must not suffer a reduction in the rate of pay by virtue of undertaking an apprentice with an employer with whom they were employed with immediately prior to undertaking the apprenticeship. Like the Plumbing Trades (Southern States) Construction Award 1999, this award also set a platform for adult apprentice wages, set at the federal minimum wage, or the amount prescribed to apprentices, whichever is greater.

These were the only two awards, of the 10 dealing with apprentices, to provide specific adult apprentices wages.
3.2.3.6 Metal industry

Of the 14 awards that contained apprentice provisions in the metals industry, 12 contained clauses specifically for adult apprentices. Three awards, namely the main award and New South Wales and South Australian awards, provided for adult apprentices based on a first-year rate of pay equal to the exit rate of a Metal Trades Trainee-Level B, and then yearly progression from C14, C13 and C12 in the final year. All five Western Australian transitional awards contained the clause on minimum adult award wages which provided that adult apprentices were not to be paid below a set dollar amount (2009: $448.48, adjusted in proportion to C10). The Tasmanian transitional award also provided a minimum dollar amount for adult apprentices, although much lower than the Western Australian amount (2009: $374.27, adjusted in proportion to C10).

In terms of the federal pre-reform awards, the Australian Capital Territory award did not provide for adult apprentices, while the other four did. Three set a wage floor for adult apprentices (C14, C13, and the federal minimum wage) which would apply if it exceeded the rate for the relevant year of the apprenticeship, while the key award provided a different set of wage rates for the different years, described above. Three of these also provided that adult apprentices were not to experience a reduction in pay by virtue of becoming an adult apprentice with the same employer.

3.2.3.7 Part-time apprenticeships

Provisions for part-time apprenticeships were not specified in any of the pre-modern award instruments that formed this analysis, noting that this does not necessarily mean part-time apprenticeship wages were not available. This includes the awards for automotive electricians and mechanics, covered now by the Vehicle Manufacturing, Repair, Services and Retail Award 2010, which contains provisions relating to part-time apprenticeships.

3.2.4 Conclusions

The pre-modern award analysis of the top five occupations and one industry indicates that the regulation of wages and year/stage progression of apprentices under each of the pre-modern award categories varied both across and within each occupation/industry as the result of a range of factors including state and territory differentials and inter-jurisdictional coverage.

A majority of the awards included provisions and pay structures for apprentice workers, and over a third of these provided specifically for adult apprentices, either by containing a separate pay structure, or setting a floor wage (for example, the federal minimum wage) that would apply until apprentice rates exceeded that amount. Further, a majority of awards considered in the Automotive Electricians and Mechanics group ensured that an adult would not suffer any reduction in pay when they entered into an apprenticeship with an employer who had employed them immediately prior to beginning the apprenticeship.

As the modern award analysis showed, apprentice percentages, and the base rate that applied, varied significantly, particularly in the Food Trades Workers group. The Automotive Electricians and Mechanics group showed the most uniformity between percentage progression structure and the adult base rate of pay. Generally the main award in each comparative schedule provided separately for apprentice pay structures for different states. Almost 60 per cent of the pay structures considered used the standard C10 trade rate. Although not forming a basis for discussion in this analysis, the provision of allowances to apprentices varied across industries and awards within those industries.
While four-year apprenticeships with yearly progression were prevalent across all occupation groups (and one industry), shorter terms were not uncommon. This departure from four-year terms was noted in Western Australian awards and different apprentices offered under the Food Trade Workers group, such as waiters, which were two and a half years in six month progressions. There was limited recognition of pre-apprenticeship programs in the Bricklayers, Carpenters and Joiners and Food Trades Workers groups, as well as the Qld order. In terms of school-based apprentices, only four awards contained relevant provisions. These awards were localised in the food trades workers section. Provisions for part-time apprenticeships were not contained in any of the pre-modern award instruments that formed part of this analysis.

3.3 Coverage of apprentice provisions in modernisable instruments and modern awards

3.3.1 Methodology for analysis of coverage of apprentice provisions

Two spreadsheets compare modern awards and modernisable award-based transitional instruments\(^{463}\) containing apprentice provisions. These spreadsheets are based on the ‘Draft awards audit’ publication undertaken by Fair Work Australia staff for the purpose of the award modernisation process,\(^{464}\) therefore the allocation of modernisable award-based transitional instruments to modern awards is indicative only.\(^{465}\) Accordingly, these spreadsheets and corresponding analysis are premised upon the assumptions in this publication.

The first spreadsheet focuses on apprentices generally (see Appendix 9) and the second focuses only on school-based apprentices (see Appendix 10).

The apprentices spreadsheet highlights examples of where a modernisable award-based transitional instruments contained apprentice provisions, but these provisions have not been included in a modern award. Modernisable award-based transitional instruments now covered by more than one modern award are identified in Appendix 9. As a result, where an apprentice was previously covered by a modernisable award-based transitional instrument, one or more modern awards may pick up coverage of the apprentice.

The school-based apprentice spreadsheet focuses only on modernisable award-based transitional instruments that have a corresponding modern award with no apprentice rates. Some modern awards\(^{466}\) do not have apprentice rates, but do have the standard school-based apprentice clause.\(^{467}\) When this is the case, it has been assumed that the modern award does not provide for apprentices at all. Modernisable award-based transitional instruments as indicated in Appendix 9 may have more than one related modern award, one or some of which do not show up on Appendix 10. Modernisable award-based transitional instruments as indicated in Appendix 9 may also have more than one related modern award, all of which would show up on Appendix 10.

3.3.1.1 Key findings relating to apprentices

Out of a total of 1557 modernisable award-based transitional instruments examined, Appendix 9 shows that 331 contain provisions for apprentices.\(^{468}\) Of the 331 modernisable award-based transitional instruments that contain

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463 Fair Work (Transitional Provisions and Consequential Amendments) Act 2009 (Cth), item 2(5)(a), Sch 3 defines award-based transitional instruments to be ‘awards, State reference transitional awards or common rules, and notional agreements preserving State awards’.

464 The award modernisation process was the process of making modern awards under Part 10A of the Workplace Relations Act 1996 (Cth), as continued by Part 2 of Sch 5 of the Fair Work (Transitional Provisions and Consequential Amendments) Act 2009 (Cth). See Fair Work Act 2009 (Cth), s.12 for more information.

465 The draft awards audit list is updated by Fair Work Australia staff on the Fair Work Australia website from time to time. For the purposes of this analysis the draft awards audit list used was the May 2010 version.

466 Currently there are nine modern awards which contain the standard school-based apprentice schedule but do not mention any other apprentice entitlements.

467 As discussed earlier in this chapter, modern awards allowing for school-based apprentices often contain a standard schedule which states that school-based apprentices would be entitled to the relevant apprentice award rate.

468 See Appendix 9.
provisions for apprentices:

- 240 modernisable award-based transitional instruments have only one related modern award (see Table 3.7). Of these modernisable award-based transitional instruments:
  - 215 modernisable award-based transitional instruments have corresponding modern awards that make specific provisions for apprentices;
  - 24 modernisable award-based transitional instruments have corresponding modern awards that do not provide for apprentices. These tend to derive mainly from the health care and social assistance industry, some also come from the education and training industry and the agriculture industry. This analysis is not detailed enough to indicate which trade (or equivalent) the apprenticeships would have been in; and
  - one modernisable award-based transitional instrument’s coverage is unclear and it is therefore not possible to determine from this analysis if the apprentice provisions under the award-based transitional instrument has been picked up by a modern award.

Table 3.7: Modernisable award-based transitional instruments containing provisions for apprentices where there is one corresponding modern award

<table>
<thead>
<tr>
<th>Modernisable award-based transitional instruments with only one corresponding modern award</th>
<th>Number of awards</th>
<th>Percentage of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Modern awards contain apprentice rates</td>
<td>215</td>
<td>89.58</td>
</tr>
<tr>
<td>Modern awards do not contain apprentice rates</td>
<td>24</td>
<td>10</td>
</tr>
<tr>
<td>Coverage unclear</td>
<td>1</td>
<td>0.42</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>240</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Fair Work Australia apprentice wages analysis from Appendix 9

- 91 modernisable award-based transitional instruments have more than one corresponding modern award, see Table 3.8. Of these modernisable award-based transitional instruments:
  - 46 modernisable award-based transitional instruments have corresponding modern awards that all contain provisions for apprentices;
  - 10 modernisable award-based transitional instruments have corresponding modern awards of which none contain provisions for apprentices; and
  - 35 modernisable award-based transitional instruments have corresponding modern awards of which one or more modern award provides for apprentice rates and one or more modern awards does not provide for apprentices. For example the modernisable award-based transitional instrument titled Delicatessens, Canteens, Unlicensed Cafes and Restaurants Etc. Award has three corresponding modern awards, the Fast Food Industry Award 2010, which does not provide for apprentices, and the General Retail Industry Award 2010 and the Restaurant Industry Award 2010 both of which do provide for apprentices.
Table 3.8: Modernisable award-based transitional instruments containing provisions for apprentices where there is more than one corresponding modern award

<table>
<thead>
<tr>
<th>Modernisable award-based transitional instruments containing provisions for apprentices where there is more than one corresponding modern award</th>
<th>Number of awards</th>
<th>Percentage of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>All corresponding modern awards contain apprentice provisions</td>
<td>46</td>
<td>50.55</td>
</tr>
<tr>
<td>No corresponding modern awards contain apprentice provisions</td>
<td>10</td>
<td>10.99</td>
</tr>
<tr>
<td>One or more modern awards contain apprentice provisions and one or more modern awards do not contain apprentice provisions</td>
<td>35</td>
<td>38.46</td>
</tr>
<tr>
<td>Total</td>
<td>91</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Fair Work Australia Apprentice wages analysis—Appendix 9

From this analysis, it can be seen that not all corresponding modern awards provide for apprenticeships in cases where corresponding instruments provide coverage. However, the occurrence of more than one relevant modern award highlights some limitations to this analysis. While it is clear that many of the instruments in Appendix 9 may be covered by more than one modern award, and it is possible to see from the spreadsheet where the instruments that had provisions for apprentices match up with modern awards with provisions for apprentices, it is not clear that the modern award has picked up coverage for all apprentices under the original modernisable award-based transitional instrument.

3.3.1.1 Key findings relating to the school-based apprentices

The school-based apprentice spreadsheet was created by extracting all modern awards that contain the standard school-based apprentice schedule from the Fair Work Australia draft awards audit list; 833 different modernisable award-based transitional instruments appear on this spreadsheet.

The spreadsheet shows a total of 11 modernisable award-based transitional instruments that contain provisions for school-based apprenticeships. Next to each modernisable award-based transitional instrument, their corresponding modern award/s is/are listed.

- The following four modernisable award-based transitional instruments contain provisions for school-based apprentices and have only one related modern award, but the corresponding modern award does not provide for school-based apprentices:
  - *Hairdressers’ Industry Award*—State 2003;
  - *Hairdressers & Beauty Salons Award*;
  - *Private Hospital Employees’ Award, 1972*; and

Note, the few modern awards that contain the standard school-based apprentice schedule but do not contain any other provisions for apprentices have not been extracted as it is assumed that the modern award does not provide for apprentices.
• The modernisable award-based transitional instrument *Child Care Industry Award—State 2003* contains provisions for school-based apprentices and has more than one related modern award. All of the modern awards relating to this instrument appear on the school-based apprentices’ spreadsheet.

• The following modernisable award-based transitional instruments contain provisions for school-based apprentices and have more than one related modern award which does not show up on this spreadsheet.

As modern awards containing only the standard school-based apprentice schedule were removed from this spreadsheet, the removed modern award may have picked up coverage of the school-based apprentices in these awards:

- Farriers (State) Award;
- *A.W.U. Miscellaneous Workers’ (ACT) Award 1998*;
- *Gardening, Nurseries and Greenkeeping (Northern Territory) Award 1998*;
- *Retail and Wholesale Industry—Shop Employees—Australian Capital Territory—Award 2000*; and
- *Space Tracking Industry Award 1998*.

More detailed research would be required to comprehensively determine matched modernisable award-based transitional instrument and modern award coverage. Division 2B State Awards were not considered in this research.

### 3.4 Modern award coverage in Queensland and the *Fair Work (Transitional Provisions and Consequential Amendments) Regulations 2009* (Cth)

As mentioned earlier, Queensland is the only state which has industrial instruments specifically pertaining to apprentices, namely:

- the Qld Order;
- the Qld GDGE Order; and
- the Tools Order.

Under the *Fair Work (Transitional Provisions and Consequential Amendments) Act 2009* (Cth) these instruments, the Qld Order and the Qld GDGE Order, became award-based transitional instruments and transitional APCSs respectively. As the Qld Order and the Qld GDGE Order were preserved as NAPSAs and APCSs under the WR Act, under the *Fair Work (Transitional Provisions and Consequential Amendments) Act 2009* (Cth) they now operate as award-based transitional instruments and transitional APCSs. These orders were also preserved.

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474 Note, the more detailed research would need to identify the classifications from transitional instruments relevant to apprentices and match up them with the relevant modern awards classifications for apprentices to demonstrate whether or not the apprentice provisions have been picked up by the modern award. That is, the research would need to be detailed enough in order to determine whether, despite employees being picked up by the coverage of a modern award, whether these employees would also be able to obtain wage rates from that award (i.e some employees may be ‘covered’ by a modern award but that modern award may not necessarily provide wage rates for the category of worker picked up by the instrument. This employee would therefore not have applicable wage rates whereas they may have under their previous pre-modern award instrument).


as Division 2B State awards at 1 January 2010 for employees and employers in Queensland not previously covered by the federal system before 1 January 2010.

As outlined in Chapter 1, the *Fair Work (Transitional Provisions and Consequential Amendment) Regulations 2009* specify that, despite the potential coverage of a modern award, these arrangements would continue to cover employees to whom training arrangements apply who are covered by award-based transitional instruments, transitional APCSs and Division 2B state awards which set minimum terms and conditions for employees to whom training arrangements apply and which provide for CBWP or which provide solely for the provision of tools for use by apprentices. These orders therefore continue to provide coverage to the applicable employees specified by the regulations.
4 Competency-based wage progression in Australia

The chapter provides an overview of competency-based progression in Australia outlining the distinction between CBTP and CBWP as well as outlining the availability of CBTP and CBWP across the national system through legislation, industrial instruments/orders, training contracts or through administrative arrangements. The chapter then provides the findings of a qualitative research study undertaken by the Minimum Wages and Research Branch in 2010 into the operation of CBWP at the enterprise level.

This overview of the operation of competency-based progression in Australia is chiefly focused on this interaction in the context of the minimum wage-setting powers of the Panel of Fair Work Australia. It should be noted that as training arrangements (and training progression) for apprentices involve the interaction of a number of regulatory factors outside of the Panel’s remit, including the interaction between the training contract, federal government regulation, RTOs, STAs and state and territory regulation, it is difficult to capture the practice of these elements in full detail and further, to capture some of the contested areas related to the operation and efficiency of these arrangements.

Further information on these arrangements and issues can be found in a number of contemporary publications on training arrangements.477

4.1 Overview of competency-based progression in Australia

In February 2006, to alleviate skills shortages in the national economy, the Council of Australian Governments (COAG)—comprising the Prime Minister, all state Premiers and territory chief ministers and the President of the Australian Local Government Association—reached agreement on a package of measures designed to underpin a new national approach to apprenticeships.478 They agreed that ‘by December 2006 all Governments will have put in place arrangements that allow apprentices and trainees to work as qualified tradesmen and tradeswomen as soon as they have demonstrated competency to industry standards, without having to wait out a set time period or make special application.’479 In the Australian Government’s 2010–11 Ministerial Budget Statement, the Federal Government renewed its support for this earlier agreement by outlining a number of funding initiatives designed to ‘support a fundamental shift from a time-served apprenticeship model to a competency-based system.’480

Competency-based systems of progression measure performance against a set of pre-specified performance criteria.481 The DEEWR’s Training Package Development Handbook defines ‘competency’ as:

... the consistent application of knowledge and skill to the standard of performance required in the workplace. It embodies the ability to transfer and apply skills and knowledge to new situations and environments.

Competency ... comprises the application of all the specified technical and generic knowledge and skills relevant for an occupation. Particularly at higher qualification levels, competency may require a combination of higher order knowledge and skills and involve complex cognitive and meta-cognitive processes such as reflection, analysis, synthesis, generation of ideas, problem solving, decision making, conflict resolution, innovation, design, negotiation, strategic planning and self-regulated learning).

Competency requires not just the possession of workplace related knowledge and skills but the demonstrated ability to apply specified knowledge and skills consistently over time in a sufficient range of work contexts.  

Apprentices and trainees undertake training packages developed by industry to meet the skill needs of industry. These training packages measure and nationally recognise achievement by units of competency:

Each unit of competency identifies a discrete workplace requirement and includes the knowledge and skills that underpin competency as well as language, literacy and numeracy; and occupational health and safety requirements. The units of competency must be adhered to in assessment to ensure consistency of outcomes.

Once competency units are reached, an apprentice or trainee can generally progress through further units. Placing its emphasis on ‘outcomes’, the competency-based model stands separately from other models, which can focus on the ‘process’ of training such as time-served models of training. Competency-based progression in Australia operates in both the training of apprentices in states and territories to achieve accreditation in courses and qualifications (CBTP) and to calculate apprentice wages (CBWP).

As part of the award modernisation process conducted by the Commission, the Australian Government’s submission of July 2009 outlined the difference between CBTP and CBWP issues. In its submission, it stated that CBTP issues relate to the regulation of training progression in ‘the training systems of each state and territory’, while CBWP issues relate to wage-setting and advancement through classifications for ‘employees to whom training arrangements apply’ which in the national system is the responsibility of Fair Work Australia.

Accordingly, in some circumstances, CBTP and CBWP do not operate in unison for employees in apprenticeships: that is, CBTP may be available to an apprentice, but CBWP may not. This interaction is further explored in the qualitative research findings in section 4.3.

### 4.1.1 Competency-based training progression

Competency-based training was introduced in the late 1980s as ‘part of wider economic policy measures to improve the skill levels of the Australian workforce, enable Australian industry to be more competitive in global markets and establish new career structures for the Australian workforce.’ According to Harris et al, the key to competency-based training is ‘a system of certification based on attainment of competency rather than the time-based completion of a course or training program.’ Harris, Hobart, Guthrie and Lundberg identify a number of underlying concepts of competency-based training programs:

- the specification of learning outcomes;
- a learning process emphasising the attainment of the specified outcomes;

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482 Department of Education, Employment and Workplace Relations, Training Package Development Handbook, viewed 3 November 2010
483 Department of Education, Employment and Workplace Relations, Training Package Development Handbook, viewed 3 November 2010
485 Australian Government, Submission to the Australian Industrial Relations Commission: Exposure Drafts of Stage 4 modern awards, 24 July 2009, submitted to Stage 4 Industries/Occupations (July-Dec 09), p.8, para. 42. Notably, these submissions were made with relation to a specific proposal from the Queensland Government to retain Queensland state-based competency-based provisions for apprentices in modern awards for a transitional period.
487 See Fair Work Act 2009 (Cth), s. 294(1)(b)(i).
489 Roger Harris, Hugh Guthrie, Barry Hobart and David Lundberg, Competency-Based Education and Training—Between a Rock and a Whirlpool, MacMillan Education, 1995, p. 25.
• measurement of learning outcomes; and

• credited learning.490

The CBTP approach to vocational training is argued to place primary emphasis on the outcome, rather than on the process involved in the training (which a time-based approach would usually involve), and has been claimed to foster self-reliance and independence in students—qualities beneficial in gaining and holding employment.491 Skills Victoria provides a summation of CBTP in practice, outlining that:

Progression through a competency based training program is determined by the student demonstrating that they have met the competency standards through the training program and related work, not by time spent in training. This way, students may be able to complete a program of study much faster.492

This method has been argued to especially suit adult apprentices who bring widely divergent ability levels to the courses, and allows open-entry and open-exit policies to be followed, enabling graduates to move into the job market at various times throughout the year.493

The competency-based system of assessment for VET was enshrined in the National Framework for the Recognition of Training494 in 1992, and agreed to by all the states and territories.495 The move to competency-based training in Australia was part of the National Reform Agenda, aiming to 'move away from a time-served approach to one based on the attainment of agreed competency standards.'496 It has now become an accepted part of the VET system in Australia.

4.1.1.1 Availability of competency-based training progression in Australia

4.1.1.1.1 Competency-based training progression in the national system

As mentioned in Chapter 1, the FW Act generally preserves state and territory laws dealing with training arrangements except to the extent that they deal with terms and conditions of employment that are provided for by the National Employment Standards or may be included in a modern award.497 Some modern awards also contain a provision detailing that the terms of the award will apply to apprentices subject to the provisions of the applicable contract of apprenticeship or training agreement operating under federal, state or territory apprenticeship or training legislation.

491 Roger Harris, Hugh Guthrie, Barry Hobart and David Lundberg, Competency-Based Education and Training—Between a Rock and a Whirlpool, MacMillan Education, 1995, p. 32.
493 Roger Harris, Hugh Guthrie, Barry Hobart and David Lundberg, Competency-Based Education and Training—Between a Rock and a Whirlpool, MacMillan Education, 1995, p. 32.
497 Fair Work Act 2009 (Cth), s.27(2)(f).

4.1.1.1.2 Competency-based training progression in the states and territories

All Australian states and territories currently make provision for the early completion of apprenticeships based on CBTP (refer to Appendix 13) through their VET legislation. The VET legislation of Victoria\textsuperscript{498} and New South Wales\textsuperscript{499} provides for early or late completion of the apprenticeship. VET legislation of South Australia,\textsuperscript{500} the Northern Territory,\textsuperscript{501} Queensland\textsuperscript{502} and Western Australia\textsuperscript{503} provides for CBTP, and the Queensland VET legislation also allows for training contracts to be completed ahead of their nominal duration.\textsuperscript{504} Tasmanian VET legislation allows the Tasmanian Training Agreements Committee to amend the training contract or approve amendment of the contract, which can include amending to an earlier period specified in the original training contract.\textsuperscript{505} Similarly, the VET legislation of the Australian Capital Territory also allows for amendments to the training contract between the parties with the approval of the chief executive.\textsuperscript{506}

4.1.2 Competency-based wage progression

The Explanatory Statement to the \textit{Fair Work Amendment Regulations 2009} (No.3) SLI No. 391 provides the following description of CBWP in the context of wage-setting arrangements:

> Competency-based wage progression enables employees to whom training arrangements apply to access higher pay rates if they attain certain skills levels ahead of time, thereby completing their traineeship or apprenticeship more quickly. Employees still progress on a time-served basis if they do not achieve competency in the relevant stage of their training arrangement.\textsuperscript{507}

In this context CBWP refers to the progression of workers through classifications in industrial instruments as a worker meets a specified competency. Wage progression is thus dictated by achievement of skills specified in the employee’s training and work rather than through time served in employment. However CBWP arrangements, according to this definition, can vary according to the industrial instrument. There are three main ways this can occur:

- an instrument may facilitate an arrangement that allows wage progression throughout the apprenticeship based on competency;
- an instrument may not provide wage progression through the course of the apprenticeship, but may provide for progression at the start of the apprenticeship through allowing RPL or the attainment of credit ahead of time; and
- an instrument may facilitate apprenticeships to be completed ahead of their scheduled time. That is, they do not provide wage progression during the course of completing the credit ahead of time, but allow an apprentice to be able to move on to a tradesperson’s rate ahead of the standard term of their apprenticeship if they have been approved by a state and territory authority to have completed their contract of apprenticeship ahead of time (and received any further certification if necessary).

\textsuperscript{498} Education and Training Reform Act 2006 (Vic) s 5.5.14.
\textsuperscript{499} Apprenticeship and Traineeship Act 2001 (NSW) ss 10(1) and 10(2)(a).
\textsuperscript{500} Training and Skills Development Act 2008 (SA) s 49(5).
\textsuperscript{501} Northern Territory Employment and Training Act 1991 (NT) s 63(3).
\textsuperscript{502} Vocational Education, Training and Employment Act 2000 (Qld) s 49.
\textsuperscript{503} Vocational Education and Training Act 1996 (WA) s 60.
\textsuperscript{504} Vocational Education, Training and Employment Act 2000 (Qld) s 74.
\textsuperscript{505} Vocational Education and Training Act 1994 (Tas) s 40.
\textsuperscript{506} Training and Tertiary Education Act 2003 (ACT) s 55G.
\textsuperscript{507} Explanatory Statement, \textit{Fair Work Amendment Regulations 2009} (No.3) SLI No. 391, Item [4].
The availability and type of CBWP across the Australian jurisdiction has not been uniform and has not always matched advancements in the availability of CBTP. As part of the previously mentioned 2006 COAG communiqué, which included agreements related to apprenticeships and training and skills recognition, the COAG parties agreed to a number of reforms related to competency-based progression, including that state and territory governments would remove by 31 December 2006 all references to fixed durations in awards and legislation in all jurisdictions where such awards prevent early sign-off based on competency.\textsuperscript{508}

The purpose of this agreement was not to impose a centralised scheme of CBWP through awards; rather it was part of an agreement to remove industrial relations barriers to competency-based completion of apprenticeships. The ‘Action Plan’ attached to the communiqué outlined that this was to be achieved by allowing apprentices to be certified as competent by a state or territory training authority without the need to make a special application when they have demonstrated competence to industry standards:

- through the amendment of training legislation and administrative procedures where necessary; and
- by removing references to fixed duration from awards and legislation in all jurisdictions in which such awards prevent early sign-off based on competency.\textsuperscript{509}

Despite the COAG agreement, this outcome did not eventuate in access to CBWP completion arrangements for all apprentices in all state and territory industrial instruments.

In 2009, COAG set up the Australian Apprentice Taskforce to undertake research and make recommendations to support the engagement and retention of apprentices during the economic downturn.\textsuperscript{510} One of the recommendations was for a more effective implementation of CBWP through work with government agencies, industry parties and providers in targeted industries.\textsuperscript{511} COAG then agreed to facilitate the necessary agreements and arrangements to ensure ‘effective implementation of competency based progression and completion for apprentices’.\textsuperscript{512}

Currently, the majority of modern awards do not make provisions for CBWP (see Chapter 3). This was also the case in pre-modern award instruments, given that pre-modern award instruments which had these arrangements continue to be preserved under the \textit{Fair Work (Transitional Provisions and Consequential Amendments) Act 2009} (Cth). This is further discussed.

\textsuperscript{508} COAG, Council of Australian Governments’ Meeting 10 February 2006 Communiqué, 2006, Attachment F (Action Plan), p. 3. Notably, this proposal came after an earlier COAG Agreement in 2005 between the parties that also proposed ‘shortening the duration of apprenticeships where competencies are demonstrated’: COAG, Council of Australian Governments’ Meeting 3 June 2005, 2005.


\textsuperscript{512} COAG, Australian Apprentices Taskforce—Final Report, December 2009, p. 22.
4.1.3 Competency-based wage progression in the state and territories

Though modern awards apply across industries and occupations regardless of state and territory boundaries, the *Fair Work (Transitional Provisions and Consequential Amendments) Regulations 2009* (Cth), which took effect from 1 January 2010, have preserved pre-existing CBWP arrangements for employees to whom training arrangements apply who had such arrangements available to them from state, territory and federal instruments which existed prior to 1 January 2010. Notably, as outlined in Chapter 1, apprentices covered by award-based transitional instruments (and their associated APCSSs) or Division 2B State awards (affected by an order, decision or determination of a state industrial body that provides for CBWP) continue to be covered by these instruments provided they set minimum terms and conditions for employees to whom a training arrangements apply and provide for CBWP or for the provision of tools for apprentices.513

Prior to 1 January 2010, Queensland was the only state in Australia that had specific provisions incorporated into its state system’s industrial instruments (via the Qld Orders) allowing for CBWP for employees to whom training arrangements apply.514

4.1.3.1 Queensland

Queensland CBWP arrangements are made available through two orders of the Queensland Industrial Relations Commission that provide apprentices (and trainees) with access to CBWP and CBTP: the Qld Order covering private sector employees, and the Qld GDGE Order, which covers public sector employees. In both the Qld Order and the Qld GDGE Order the conditions of CBTP are prescribed along with CBWP with both orders stating that:

... the relevant supervising registered training organisation [is] to conduct ongoing assessment of the apprentice or trainee in conjunction with the employer, and in accordance with the timeframes specified in the training plan. This ongoing assessment is to ensure that the apprentice or trainee is making adequate progress towards the achievement of competencies. All competencies achieved shall be recorded in the training record on a regular basis in accordance with the Training and Employment Regulation 2000.515

Accordingly, these orders are preserved for both a Division 2B State Award and an award-based transitional instrument (and APCSS) from 1 January 2010. These parties will therefore continue to be covered by the Qld Order and will not be covered by a modern award during the apprenticeship or traineeship. The employer will also be covered by the Qld Order in respect of future employees to whom training arrangements apply at their workplace.

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513 Reg 3A.01 and Reg 3B.01 of the *Fair Work (Transitional Provisions and Consequential Amendments) Regulations 2009* (Cth) provide that despite subitem 21(1) in sch 3A and subitem 29 of sch 3 of the *Fair Work (Transitional Provisions and Consequential Amendments) Act 2009* (Cth), a Division 2B State Awards and award-based transitional instruments (and corresponding APCSSs) that set minimum terms and conditions for an employee to whom training arrangements apply and provide for CBWP (or the provisions for tools) will not terminate at the end of 12 months after the Division 2B referral commencement.

514 Notably, the Explanatory Statement to *Fair Work Amendment Regulations 2009* (No.3) SLI No. 391 (which introduced the provisions noted above) notes that ‘[t]he Queensland Government was consulted on the development of amendments set out in sch 2 of the Regulations concerning the matters agreed between it and the Government in the context of negotiations over the referral.’

515 Apprentices’ and Trainees, Wages and Conditions (Excluding Certain Queensland Government Entities) Order 2003, (AN140326) [Qld] cl. 2.1.5; Apprentices’ and Trainees, Wages and Conditions (Queensland Government Departments and Certain Government Entities) Order (AN140327) [Qld] cl. 2.1.5.
There are some exceptions within the Qld Order, which relies on schedules to provide specific wages and conditions for industries and occupations. The exceptions include: Plumbers other than sprinkler pipe-fitting apprentices;\textsuperscript{516} Bread baking and pastry cook apprentices;\textsuperscript{517} Electrotechnology industry apprentices;\textsuperscript{518} Electricity supply tradespersons;\textsuperscript{519} and Funeral services.\textsuperscript{520}

A more detailed account of the coverage and wage-setting arrangements of the Qld Order is provided in the Chapter 3 pre-modern award instrument analysis.

4.2 The diversity of competency-based progression arrangements across Australia

The separate regulation of CBWP and CBTP across the federal, state and territory jurisdictions in Australia has resulted in a diversity of apprentice CBWP and CBTP arrangements across jurisdictions. As the FW Act defines training arrangements for apprentices as ‘a combination of work and training that is subject to a training agreement, or a training or contract, that takes effect under a law of a state or territory’,\textsuperscript{521} this section will go on to review the diversity in the regulation of training agreements and/or contracts with relation to competency-based progression. A summary of the diversity of state and territory legislation in regulating apprentice and trainee training arrangements can also be found at Appendix 13 and 19.

4.2.1 Required content of training contracts by jurisdiction

As outlined earlier, for an apprentice to be defined as an employee to whom a training arrangement applies (for the purposes of Fair Work Australia’s wage-setting powers), they must be subject to a ‘training agreement or a training contract, that takes effect under a law of a state or territory relating to the training of employees’.\textsuperscript{522}

The legislation of each state and territory frames the required content of training contracts in slightly different ways. Some training legislation takes a more ‘minimal approach’ in dictating the terms of training contracts (such as Tasmania\textsuperscript{523} and the Australian Capital Territory)\textsuperscript{524} simply stating that a training contract or training agreement be in a standard or prescribed form.

However, the legislation of other states, while including the above requirement, are more specific in their regulation of these agreements. In New South Wales, a training contract must include the proposed term length.\textsuperscript{525} Victorian contracts must be consistent with the more prescriptive provisions found in schedule 4 of the Education and Training Reform Act 2006 (VIC), including ensuring that weekly wages are in accordance with the relevant rate set by the Commission.\textsuperscript{526} In Queensland, a contract must include a probationary period as part of the nominal term of the training contract.\textsuperscript{527} The South Australian legislation requires a number of conditions to be met in the training contract including:

- that the apprentice will be employed in accordance with the applicable award or industrial agreement;
- specification of the probationary period;

\textsuperscript{516} Apprentices’ and Trainees, Wages and Conditions (Excluding Certain Queensland Government Entities) Order 2003 (AN140326) [Qld], sch 4, item 4.
\textsuperscript{517} Apprentices’ and Trainees, Wages and Conditions (Excluding Certain Queensland Government Entities) Order 2003 (AN140326) [Qld], sch 8, item 1.1.
\textsuperscript{518} Apprentices’ and Trainees, Wages and Conditions (Excluding Certain Queensland Government Entities) Order 2003 (AN140326) [Qld], sch 22, item 2.1.1.
\textsuperscript{519} Apprentices’ and Trainees, Wages and Conditions (Excluding Certain Queensland Government Entities) Order 2003 (AN140326) [Qld], sch 22, item 4.3.2.
\textsuperscript{520} Apprentices’ and Trainees, Wages and Conditions (Excluding Certain Queensland Government Entities) Order 2003 (AN140326) [Qld], sch 23, items 3.1, 2.1.5.
\textsuperscript{521} See Fair Work Act 2009 (Cth), s.12.
\textsuperscript{522} See Fair Work Act 2009 (Cth), s.12 for definition of ‘training arrangement’.
\textsuperscript{523} Vocational Education and Training Act 1994 (Tas) s. 36(3)(ab).
\textsuperscript{524} Training and Tertiary Education Act 2003 (ACT) s. 55B(2)(a).
\textsuperscript{525} Apprenticeship and Traineeship Act 2001 (NSW) s. 7(4).
\textsuperscript{526} See Fair Work Act 2009 (Cth), s.12.
\textsuperscript{527} Vocational Education, Training and Employment Act 2000 (Qld) s. 50(3).
• the standard conditions for a contract for the relevant trade or declared vocation;
• that the apprentice will be trained and assessed in accordance with the training plan; and
• any other conditions agreed to between the employer and the apprentice after consultation with the registered training provider.  

Western Australian legislation requires that a contract state whether it applies to a class A or class B qualification as well as specifying a probationary period. The Northern Territory Employment and Training Act 1991 (NT) sets out that an approval by the Authority must name the employer, state the type of approved apprenticeship that may be offered by the employer, specify the ratio of trainers to apprentices, and the maximum number of apprentices to be employed at any one time, as well as any other condition that the authority thinks fit and specifies in the approval.

In practice, each state and territory authority has adopted the nationally agreed ‘Australian Apprenticeship/Traineeship Training Contract’ as the standard or prescribed form for training contracts. The contract can be used for either apprenticeships, traineeships, or, in the case of New South Wales, ‘trainee apprenticeships’.

In particular, matters of wage progression and training progression are left to relevant state, territory or federal legislation and industrial instruments rather than the contract itself though the contract requires that employers and employees negotiate a training plan with a RTO. The training plan sets out how the training is to occur, who is to provide it, and how assessment is to occur (see further for an outlined of this process). The NSW State Training Services describes a training plan as containing:

• the title of the formal qualification to be undertaken by your apprentice/trainee;
• the commencement date of the formal training;
• the mode of delivery of formal training by the RTO (e.g. classroom based, block release, online learning etc);
• the type and indicative dates of assessments to be conducted;
• the Units of Competency, including any elective units, that will make up the qualification;
• training materials to be provided by the RTO to your apprentice or trainee;
• the competency record books or work evidence records which you will need to sign off;

528 Training and Skills Development Act 2008 (SA) s. 46(6).
529 Vocational Education and Training Act 1996 (WA) s. 60E(3).
530 Vocational Education and Training (General) Regulations 2009 (WA) Reg. 38.
531 Northern Territory Employment and Training Act 1991 (NT) s. 47(5).
532 See Australian Government Department of Education, Employment and Workplace Relations, Apprenticeship/Traineeship Training Contract, Commonwealth of Australia, July 2009 (see Appendix 16). This contract is similar to the contract contained in the Vocational Education and Training (General) Regulations 2009 (WA) sch 1.
533 Training and Tertiary Education Act 2003 (ACT) s 55B; Apprenticeship and Traineeship Act 2001 (NSW) s 7(4)-(5); Vocational Education, Training and Employment Act 2000 (Qld) s 54(3); Training and Skills Development Act 2008 (SA) s 46(6)(a); Vocational Education and Training Act 1994 (Tas) s 36(3) (ab); Education and Training Reform Act 2006 (Vic) s 5.5.10; Vocational Education and Training Act 1996 (WA) sch 1.
535 As will be discussed below, industrial legislation and instruments set out wages and methods for wage progression while training legislation regulates other aspects of the apprenticeship—the amendment or cancelling of a contract for instance.
• arrangements for providing RTO training support to yourself if required; and

• specific assistance to be provided by the RTO to the apprentice/trainee to meet any special learning needs eg literacy, numeracy, mentoring.537

4.2.2 Interaction of state and territory training legislation with other industrial instruments and legislation

The interaction of state and territory training legislation with other industrial instruments and federal, state and territory legislation varies between each state and territory jurisdiction.

In New South Wales and South Australia, the Apprenticeship and Traineeship Act 2001 (NSW)538 and Training and Skills Development Act 2008 (SA),539 are explicitly stated to prevail over the Industrial Relations Act 1996 (NSW) and Fair Work Act 1994 (SA) respectively. This extends to industrial instruments, such as awards and agreements made under these Acts. However, despite this, under the Training and Skills Development Act 2008 (SA), the Act does note that the South Australian Industrial Relations Commission has jurisdiction over disputes that arise in the context of a training contract. Under this Act, the South Australian Industrial Relations Commission can exercise powers that affect the prerogative of the state training body despite the general relationship between the two Acts. For example, a term of a training contract must be computed and the contract must be construed and applied in accordance with an order made by the South Australian Industrial Relations Commission.540

The Industrial Relations Act 1979 (WA), also allows appeals with regards to training contracts made under the Vocational Education and Training Act 1996 (WA) to be bought to the Western Australian Industrial Relations Commission.541 In Queensland, the Vocational Education, Training and Employment Act 2000 (Qld) complements the terms and provisions of the Industrial Relations Act 1999 and related industrial instruments542 and in the ACT, the Training and Tertiary Education Act 2003 (ACT) refers to ensuring training contracts comply with any industrial arrangements under (the now-repealed) WR Act.543

The Vocational Education and Training Act 1994 (Tas) and the Education and Training Reform Act 2006 (Vic) are silent on which Act prevails in instances of inconsistency.

In the case of apprentices covered by the national system of modern awards, provisions of awards relating to the terms and conditions of employment are to prevail where there is any inconsistency with state or territory legislation dealing with training arrangements.544 Some modern awards explicitly outline this such as in the Manufacturing and Associated Industries and Occupations Award 2010.545

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538 Apprenticeship and Traineeship Act 2001 (NSW) s. 80.

539 Training and Skills Development Act 2008 (SA) s. 69.

540 Training and Skills Development Act 2008 (SA) s. 65.

541 Vocational Education and Training Act 1996 (WA) s. 60F(8).

542 Vocational Education, Training and Employment Act 2000 (Qld) ss 118(3), 120(4), 168(1)(m).

543 Training and Tertiary Education Act 2003 (ACT) s. 55B(2)(e).

544 Fair Work Act 2009 (Cth), ss 26(1), 27(2)(f).

545 Manufacturing and Associated Industries and Occupations Award 2010 (MA000010) [Fed], cl. 15.3.
The training legislation of each state or territory, as has been noted earlier, provide for the establishment of a state or territory training authority. The respective legislation also establishes the process for registering and regulating RTOs. A third aspect of the legislation is the regulation of the actual training contract and the relationship between the respective parties.

Importantly, state and territory training legislation, whether express or implied, largely leaves the issue of wage levels and wage structures for apprentices to respective state (New South Wales, South Australia, Victoria, Tasmania and Western Australia) or federal (the Australian Capital Territory, Northern Territory and Victoria) industrial relations legislation. The Vocational Education and Training Act 1994 (Tas) is silent on the matter. That is, while the training legislation for each state and territory will provide for matters such as the early completion of apprenticeships through competency, it is the relevant industrial instrument which is generally left to determine how wage progression of an apprentice is to occur. It follows that CBWP arrangements are therefore left to federal, state and territory industrial instruments to determine.

It is relevant to note from the analysis of modern awards and pre-modern award instruments in Chapter 3, that industrial instruments themselves can regulate some aspects of CBTP arrangements such as specifying the terms and conditions of employment, including the maximum number of hours to be worked a week. Some award provisions covering apprentices can also recognise the relevant state or territory training legislation in specifying terms and conditions for apprentices. The Manufacturing and Associated Industries and Occupations Award 2010, for instance, which provides CBWP arrangements, recognises the obligations imposed by a training agreement and more generally the state training legislation, in relation to matters such as probationary periods.

VET legislation in the states and territories allow for CBTP in apprenticeships. On the other hand, VET statutes, with the exception of the Northern Territory (as noted above) avoid wage-related matters, instead leaving such determinations to industrial instruments. As a result CBWP is a matter which is mainly regulated through industrial relations regulation, rather than VET legislation.

### 4.2.3 Determining an apprentice’s competency and the process for signing off an apprenticeship prior to its nominal completion

In each state and territory, RTOs are responsible for assessing apprentices’ competency in relation to the attainment of formal qualifications. RTOs are providers and assessors of nationally recognised training. In order to become registered, RTOs must meet the 12 standards set out in the Standards for RTOs, which is part of the Australian Quality Training Framework 2010 standards. Only RTOs can issue nationally recognised qualifications. VET legislation in the states and territories allow for CBTP in apprenticeships. On the other hand, VET statutes, with the exception of the Northern Territory (as noted above) avoid wage-related matters, instead leaving such determinations to industrial instruments. As a result CBWP is a matter which is mainly regulated through industrial relations regulation, rather than VET legislation.

To begin an apprenticeship, an apprentice and employer must first choose a RTO who will develop a training plan. This training plan, along with the training contract, is then lodged with the relevant state or territory training authority. An apprentice must complete the formal training component of the training plan before they can successfully complete an apprenticeship. Early competency-based completion of an apprenticeship can be sought.

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546 For example, Part 3 of the Training and Skills Development Act 2008 (SA).
547 For example, Part 4, Division 2 of the Training and Skills Development Act 2008 (SA).
548 The Education and Training Reform Act 2006 (Vic) explicitly states that wages are to be those of the National Training Wage Award as made by the AIRC (sch 4, item 1(1)).
549 Manufacturing and Associated Industries and Occupations Award 2010 (MA000010) [Fed], cls. 16.1-0, 16.15.
552 Australian Government, Department of Education, Employment and Workplace Relations, ‘Essential Conditions and Standards for Continuing Registration 2010’, viewed 15 October 2010,
by the employer of an apprentice only once the RTO has assessed the apprentice as having met all the formal training requirements. The employer and apprentices may then seek an early completion to the contract through an application to the relevant state or territory training authority. The state or territory training authority will then decide whether or not to issue a Certificate or Statement of Completion or Attainment. State and territory legislation is silent on what interaction an RTO should have with employers in relation to an apprentice’s wages.

Though RTOs have the prime responsibility, for assessment of competency (consistent with the provisions of the Australian Quality Training Framework) some state and territory training authorities issue directives about involving employers in this process. The Victorian Skills Commission, for example states that ‘meaningful and ongoing consultation is required with the employer and the apprentice around the development, delivery and monitoring of a training plan and the attaining of competencies within the relevant qualification.’

The process for signing off on the training contract differs between states and territories. In the Australian Capital Territory, a party may ask the chief executive of the Accreditation and Registration Council to amend the training contract, which can include an amendment allowing early completion. Where all parties agree, the chief executive must approve the amendment unless it would adversely affect the provision of training. In Victoria, on application from the parties, the Victorian Skills Commission can reduce the term of an agreement where satisfied of the apprentice’s competence. In NSW, the Commissioner of Vocational Training is provided with the power to reduce the nominal term of a training contract. Likewise, the Queensland Training and Employment Recognition Council, the South Australian Training and Skills Commission, the CEO of Western Australia’s Training Accreditation Council, the Tasmanian Training Agreements Committee and the Northern Territory Employment and Training Authority have responsibility for signing off on apprenticeships prior to their nominal completion.

Despite the ability for CBTP to occur for apprentices in state and territory training legislation (and contracts), some professional licensing bodies also impose obligations that can impact on the ability of an apprentice to receive licensing, which can impact on their ability receive tradesperson’s rates. For example, in Victoria, regulations require that to obtain a plumbing licence an apprentice must have undertaken an apprenticeship under the supervision of a plumber qualified to carry out work of that class of plumbing work or been in the employment for four years in that class of plumbing work. South Australia also imposes minimum years-of-experience requirements for more advanced licences, while Queensland allows only full plumbing licences to be obtained after one year of post-apprenticeship experience.

554 Training and Tertiary Education Act 2003 (ACT) s.55G(1).
555 Training and Tertiary Education Act 2003 (ACT) s.55G(4).
556 Vocational Education and Training Reform Act 2006 (Vic) s 5.14(2).
557 Apprenticeship and Traineeship Act 2001 (NSW) s.0(2)(a).
558 Vocational Education, Training and Employment Act 2000 (Qld) s 49.
559 Training and Skills Development Act 2008 (SA) s.49(5).
560 Vocational Education and Training Act 1996 (WA) s 60F.
561 Vocational Education and Training Act 1994 (Tas) s.40.
562 Northern Territory Employment and Training Act 1991 (NT) s.63.
563 Plumbing Regulations 2008 (Vic) sch 3.
565 Plumbing and Drainage Regulation 2003 (Qld) sch 1.
Notably, in the Australian Government’s 2010-2011 Ministerial Budget Statement (which announced its ‘Smarter Apprenticeships’ policy), the Australian Government outlined that in order to achieve the broad adoption and expansion of a competency-based system, projects could be adopted that would ‘reduc[e] state-level regulatory barriers (such as problematic licensing arrangements’).566

4.2.4 Dispute resolution mechanisms for training contracts

Disputes where there is disagreement over the competency of an apprentice, between employers, apprentices or RTOs, are resolved in accordance with the provisions outlined in the training legislation for each state or territory.567 In addition to the dispute resolution mechanisms established by state and territory legislation, Australian Apprenticeship Centres across Australia provide Apprenticeship Field Officers who are capable of mediating between the parties.568 This is a process usually utilised by parties prior to the state or territory dispute resolution mechanisms.569

The dispute resolution procedures under each state and territory’s training legislation are as follows:

- In the Australian Capital Territory, disputes are to be first taken to the CEO of the Accreditation and Registration Council.570 If a dispute is not settled within 28 days of it being referred to the CEO, the CEO has the authority to make a finding of fact or amend a contract in order to resolve that dispute.571

- In New South Wales, disputes between parties are first taken to the Commissioner for resolution.572 If a voluntary settlement is not reached, a dispute will be referred to the Vocational Training Tribunal.573

- In the Northern Territory parties are required to apply to the Employment and Training Authority for a matter to be resolved.574 If the Authority is unable to settle the dispute, the Authority will refer the matter to the Appeals and Review Tribunal.575

- In Queensland, parties to a training contract may lodge a complaint with the Training Ombudsman.576 The Ombudsman may refer disputes to the Training and Employment Recognition Council for decision if the ombudsman decides that the person has a sufficient interest in the matter.577 Any such decision of the council may be appealed to the Queensland Industrial Relations Commission.578

- In South Australia, disputes related to training contracts are to be resolved by way of an application to the

567 Training and Tertiary Education Act 2003 (ACT) s 55(i); Apprenticeship and Traineeship Act 2001 (NSW) ss 39-40; Northern Territory Employment and Training Act 1991 (NT) s 70; Vocational Education, Training and Employment Act 2000 (Qld) ss 134, 230; Training and Skills Development Act 2008 (SA) s 65; Vocational Education and Training Act 1994 (Tas) s 68; Vocational Education and Training (General) Regulations 2009 (WA) Regs. 53, 54; Education and Training Reform Act 2006 (Vic) s 5.5.17.
568 It should be noted that though the state and territory legislation generally facilitates dispute resolution procedures that the process referred to in this point is not provided for in legislation. See Skills Victoria, ‘Dealing with Problems’, viewed 20 October 2010, <http://www.skills.vic.gov.au/for-business/recruiting/dealing-with-problems >
570 Training and Tertiary Education Act 2003 (ACT) s 55(i)(2).
571 Training and Tertiary Education Act 2003 (ACT) ss 55(i)(3), (5).
572 Apprenticeship and Traineeship Act 2001 (NSW) s 39.
573 Apprenticeship and Traineeship Act 2001 (NSW) s 40.
574 Northern Territory Employment and Training Act 1991 (NT) s 70(1).
575 Northern Territory Employment and Training Act 1991 (NT) s 70(7).
576 Vocational Education, Training and Employment Act 2000 (Qld) ss 134.
577 Vocational Education, Training and Employment Act 2000 (Qld) s 134(2).
578 Vocational Education, Training and Employment Act 2000 (Qld) s 230.
state Industrial Relations Commission for consideration.579

• In Tasmania, the Training Agreements Committee is given the power to hear and determine such matters.580

• In Western Australia, parties to a training contract may apply to the chief executive officer of the Training Accreditation Council to resolve some disputes.581 In making a decision, the CEO must provide a written notice of the decision and the reasons for it.582 Although the CEO is not required to conduct a formal hearing, all parties to the training contract must be given a reasonable opportunity to provide evidence and submissions for consideration. Parties may appeal a decision to the Western Australian Industrial Relations Commission.583

• In Victoria, disputes related to training contracts, with the exception of those involving whether 'money is or is not due by an employer to an apprentice', are to be heard by the Victorian Skills Commission.584 The Victorian Skills Commission has the power under the legislation to make any order it feels appropriate, including amending and cancelling a contract.

A further outline of the dispute resolution clauses found in state and territory training legislation can be found in Appendix 15.

4.2.5 Conclusion

There currently exists a diversity of arrangements in relation to the availability and regulation of CBTP and CBWP arrangements for apprentices in the national, state and territory systems across Australia. As the FW Act allows state and territory laws relating to training arrangements to continue to apply to apprentices, accordingly each state and territory continues to have differing arrangements, and the availability of CBWP and CBTP is not always mutually exclusive in each of the different jurisdictions. Indeed, each state and territory jurisdiction may have some overarching similarities (such as the facilitation of CBTP for apprentices), but how this is regulated between each jurisdiction can vary.

From this review, it can be surmised that the only clear instances in which CBTP arrangements have been clearly linked to CBWP outcomes are at the national level through their facilitation in some select modern awards; and in Queensland where their industrial instruments (which had facilitated these arrangements) have been preserved by the Fair Work (Transitional Provisions and Consequential Amendments) Regulations 2009.

4.3 Qualitative research into competency-based wage progression

This section of the paper presents findings from qualitative research in October and November 2010 with apprentices, employers of apprentices and RTOs into the operation of CBWP arrangements in practice. The key matters that the research sought to address in relation to the dynamics of CBWP arrangements in operation included:

• the interactions between CBWP arrangements contained in industrial instruments and the state jurisdiction-based training procedures and documentation (including the training contract and individual training plan); and

• views on the operation of CBWP.

579 Training and Skills Development Act 2008 (SA) s. 65(1).
580 Vocational Education and Training Act 1994 (Tas) s. 68.
581 Vocational Education and Training (General) Regulations 2009 (WA) Regs. 53. and 39(2).
582 Vocational Education and Training (General) Regulations 2009 (WA) Regs. 53(3).
583 Vocational Education and Training (General) Regulations 2009 (WA) Regs. 54(1).
584 Education and Training Reform Act 2006 (Vic) s. 5.5.17(1), (2).
In interpreting the findings presented in this section of the paper it is important to note that the objectives for this research were narrow in scope. This research did not seek to address many questions about apprentice wages and CBWP arrangements. In particular the qualitative research does not investigate how commonly CBWP arrangements are used or views on the wage level of apprentices.

The findings principally consider how CBWP operated in practice and how wage progression interacted with training progression (CBTP) through the experiences of apprentices in-training and employers of apprentices in-training who were subject to CBWP at the time of the research. The research included some apprentice participants who had cancelled a training contract and recommenced their apprenticeship with another employer, though it did not include participants who had terminated an apprenticeship without intent to recommence. The findings from the qualitative research have been included in this paper to complement information presented in preceding sections regarding the operation and interaction of CBWP with CBTP and are intended to be interpreted in this manner.

4.3.1 Research design

The research concentrated on investigating the experiences and views of minimum wage-reliant apprentices and employers of minimum wage–reliant apprentices currently using the CBWP and time-served models of wage progression.585

The research was undertaken using two data collection and analysis approaches: research at the enterprise level and research at the individual level. Just over half of the apprentice participants in the research were sourced through employer participants. This approach facilitated both a ‘case study’ approach to data collection and analysis at the enterprise level (where similar and divergent perspectives of wage-setting practices and outcomes emerged) as well as separate investigations of apprentice and employer perspectives.

Data collection was undertaken through two methods: in-depth interviews and online discussion forums. Data collection was undertaken with employers and apprentices separately. Research was conducted principally in Queensland and in Victoria.

A variety of information sources were used to scope the research and determine the sectors to be included. As this research sought to investigate CBWP arrangements, the selection of sectors was primarily focused on including a range of competency attainment and timeframe measures contained in CBWP instruments across sectors with the largest proportions of apprentice employees. Representation of gender was also a consideration.

Apprentice and employer participants in the research were drawn from the following sectors:

- Automotive;
- Building and construction;
- Food trades/hospitality;
- Hairdressing; and

585 For the purposes of this research, minimum wage-reliant apprentices were defined as employees who rely on a minimum wage instrument to determine their terms and conditions of employment, including wages. The research sought to include apprentices paid a percentage of the minimum rate contained in the minimum wage instrument according to wage level achieved. The research excluded apprentices and employers of apprentices covered by enterprise agreements or Individual Transitional Employment Agreements.
• Engineering trades.

A small comparative group of participants subject to time-served wage progression arrangements was included in this research for the purpose of identifying differences and similarities in wage-setting practices and views on wage progression.

The qualitative research findings are drawn from the experiences and attitudes of 38 apprentices and 35 employers across the five sectors noted above. This included case studies of 16 enterprises. The research findings also include the experiences of RTOs to investigate functions of the training system that could not be ascertained through research with employers and apprentices.

For further detail about the research design, including the selection of sectors, sample composition, and recruitment of participants see Appendix 17.1.

### 4.3.1.1 Employer participant characteristics

<table>
<thead>
<tr>
<th></th>
<th>Automotive</th>
<th>Building and construction</th>
<th>Food trades/ Hospitality</th>
<th>Hairdressing</th>
<th>Engineering trades</th>
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<td>6</td>
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<tr>
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<tr>
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<td>10</td>
<td>5</td>
<td>9</td>
<td>2</td>
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</tbody>
</table>

Approximately two-thirds of employer participants in the research were from the Queensland jurisdiction and subject to CBWP arrangements. These employers were in the Automotive, Building and construction, Hairdressing and Food trades/hospitality. Approximately one-third of employer participants were subject to time-served wage progression arrangements. These participants were in Automotive, Building and construction, Hairdressing and Food trades/hospitality in Victoria, and the Plumbing trade in Queensland. Two representatives from GTOs in Victoria participated in the research primarily to share their experiences of Engineering trade apprenticeship employment subject to CBWP arrangements.

Most participants in the research were in metropolitan areas. Some participants were in regional centres where training infrastructure (and choice of RTO) to support competency-based training and accelerated completion of units of competency was limited.

Most employer representatives in the research had responsibility for both wage-setting and for training and development of their apprentice employees. Several employer participants in the food trades sector had responsibility for signing-off on competency attainment and rostering within a wage bill budget, but were not responsible for wage-setting in the enterprise.

Most enterprises in the research had a history of employing apprentices. Approximately half of the employer participants in the research had employed an apprentice in the second or third stage of their apprenticeship, though most had hired their current apprentice(s) at the commencement of their apprenticeship. The wage level and stage of training progression that enterprises in the research were seeking was said to be determined by the needs of the business and their capacity to administer training and provide support to meet the needs of the apprentice.
Most employer participants were from smaller enterprises, employing between three and 10 staff, including apprentices. Approximately two-thirds of employers in the research had more than one apprentice in the business.

All employers in the research set pay rates for at least one of their apprentices using the minimum award rate. Most employer participants in the research paid their apprentices the minimum award rate and did not consider paying any variation above it. Some employer participants adjusted their wage-setting methods as apprentices advanced through their training and, in their view, became more valuable to the business. These employers would offer some variation above the minimum rate, or would pay bonuses and commissions for apprentices once their revenue generation exceeded their employment cost. Employer participants who had a bonus structure in place for their qualified employees typically followed a similar model to reward apprentices who brought in revenue to the business. There were a few employer participants who provided their apprentices with non-wage incentives such as additional training to reward their apprentices.

The employer participants reported that their respective enterprises employed apprentices in the business for a range of reasons. The two most common reasons for having apprentices in the business were:

- **Wage bill management**—most employer participants explained that apprentices would perform important tasks in the workplace that did not directly generate revenue, including cleaning and customer services that were considered financially unviable for qualified staff to undertake. A number of employers described having a business model that relied upon the employment of apprentices to get the highest productivity and best value for money from the tradespeople in the workplace.

- **Ensuring future skilled workers in the workplace**—many employer participants in the research stated that having apprentices in the business was important for the future of the industry to help encourage the next generation of tradespeople. Some employer participants indicated that they had concerns about the skill levels in the industry and felt that hiring qualified workers was not feasible as they did not meet their expectations for productivity. Many employers in the research also explained that hiring an employee as an apprentice was an effective way to mould and develop employees that they expected to retain long-term. There were also a few employers in the research who stated that they gained personal satisfaction from training and assisting motivated people to learn the trade.

### 4.3.1.2 Apprentice participant characteristics

<table>
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<td>7</td>
<td>6</td>
<td>6</td>
<td>3</td>
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<td>2</td>
<td>3</td>
<td>0</td>
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<td><strong>Totals</strong></td>
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<td>11</td>
<td>8</td>
<td>9</td>
<td>3</td>
<td>38</td>
</tr>
</tbody>
</table>

Most of the apprentice participants in the research were from the Queensland jurisdiction and subject to CBWP arrangements. These apprentices were undertaking apprenticeships in Automotive, Building and construction, Hairdressing and Food trades/hospitality. One apprentice participant in the Queensland jurisdiction in the plumbing licensed trade was subject to time-served wage progression arrangements. Other apprentice participants in the research were from Victoria and were subject to time-served wage progression arrangements in Automotive, Building and construction, Hairdressing and Food trades/hospitality. A few participants in Victoria were undertaking engineering apprenticeships and were subject to CBWP arrangements. Almost all apprentice
participants were from metropolitan areas or regional centres.

Approximately two-thirds of the apprentice participants in the research had commenced their apprenticeship with their current employer. Approximately one-third of participants had recommenced their apprenticeship with their current employer after cancelling a training contract with one or two former employers.

A small proportion of apprentices in the research had undertaken vocational training prior to commencing their apprenticeship. This was through school-based apprenticeships. No apprentice participants in the research had completed a pre-apprenticeship course that entitled them to credits upon commencement of their apprenticeship.

A few apprentices in the research had received RPL through assessments of their competency performed by their RTO and signed-off by their employer. Approximately one-third of participants had received course credit transfers when they commenced or re-commenced their apprenticeship.

The wage levels of the apprentice participants in the research were fairly evenly distributed across the four apprentice wage levels. There were a few participants who had begun their apprenticeship within six months of participating in the research and several apprentices who were only months from completion.

Almost all apprentice participants in the research had commenced their apprenticeship after completing their secondary schooling. Most apprentice participants had commenced their apprenticeship when they were between 18 and 20 years of age. A small number of apprentices in the research were over the age of 21 years when they commenced their apprenticeship.

All apprentices in the research had their apprentice wage set according to the minimum award wage for the level of their apprenticeship employment they were at. A few participants were receiving commissions and bonus payments on top of their basic pay. The commercial cookery apprentices in the research were receiving penalty rates and worked more hours per week than apprentices in the other trades included in the research, thus their take-home pay was greater than other apprentice participants. The apprentice participants in the engineering trades were accessing overtime payments that increased their take-home pay. The overtime hours also counted toward their hours of on-the-job experience.

Most apprentices in the research were receiving or had received government incentive payments throughout their apprenticeship and tool allowances upon commencement of their apprenticeship. Some older apprentice participants were receiving top-up payments in their wages. Some participants explained that they had accessed a health care card, which significantly reduced the cost of purchasing books for their training.

Most apprentice participants in the research reported that they had not considered the form of apprentice wage progression model (competency versus time served) when they decided to commence an apprenticeship.

**Presentation of findings**

The following sections of the paper address the findings from the research in three key themes:

- the operation of CBWP;
- views on wage progression; and
4.3.2 The operation of competency-based wage progression

The factors that emerged through the qualitative research that influenced the operation of CBWP are presented in the following sections:

- wage-setting practices;
- wage progression determinants;
- delivery of training; and
- recognition of prior learning.

4.3.2.1 Wage-setting practices of employer participants

Key findings

The research identified patterns of wage setting among employer participants subject to CBWP arrangements. Employer participant wage-setting practices for their apprentice employees varied according to whether an apprentice was being engaged at the commencement of their training or whether they were recommencing their apprenticeship training. Wage-setting practices also varied according to whether the apprentice had prior work experience in the enterprise or pre-apprenticeship experience in the industry or if they had undertaken some form of vocational training prior to commencing their apprenticeship training.

The research also identified that employer participant wage-setting practices for apprentice employees subject to CBWP were influenced by their attitude toward apprenticeship employment, their engagement in training the apprentice and the attainment of competency (for wage-setting purposes and training).

The findings from the analysis of wage-setting practices led to the categorisation of employer participants subject to CBWP arrangements according to how competency attainment measures were used. Some employers had adopted the proportional attainment of competency—as documented in training materials—as the primary method of wage level progression for their apprentices. Other employer participants subject to CBWP arrangements believed that competency attainment for most apprentices was achievable according to the nominal durations for each stage of training. These employer participants exercised their prerogative to sign off on competency attainment—as documented in training materials—according to nominal durations for stages of training. There were also some employer participants subject to CBWP arrangements who did not use competency attainment measures to set wages for their apprentices.

There were a variety of processes described by employer and apprentice participants used to manage progression through stages of training that flowed on to inform CBWP for participants subject to CBWP arrangements. These processes varied across the different modes of training delivery and according to the level of communication between the RTO, apprentice and employer. Under some models of RTO training delivery and assessment the opinion of the employer was sought as part of the trainer’s assessment of competency. Other RTO training delivery and assessment practices were quite separate to employer training and assessment practices.
Wage-setting practices of employer participants

In Australia there are two apprentice wage progression models in operation. The time-served model is the most common wage-setting model used in all jurisdictions. This model increases the wage of apprentices generally according to the length of time-served as prescribed in the relevant minimum wage-setting instrument covering the apprentice. An example of this is the Black Coal Mining Industry Award 2010.\(^{586}\) Indentured apprentices covered by this award serve 12 months at each of the four wage levels (each level is known as a ‘year’). There are no provisions for an apprentice to progress to the next wage level without serving the time required. Some time-served schemes do allow for apprentices to commence their indentured employment at higher wage levels where they have RPL. For example, the Joinery and Building Trades Award 2010 allows that the nominal period of the apprenticeship may be varied to reflect the proportion of the competencies gained ‘... to recognise prior learning including vocational education and training in school, pre-apprenticeship programs and other prior learning’.\(^{587}\)

The CBWP models exist for the majority of apprenticeship employment conditions in Queensland, and in some national system modern awards including the Manufacturing and Associated Industries and Occupations Award 2010.\(^{588}\) The CBWP model sets out wage levels—which are known as ‘stages’ in the Manufacturing and Associated Industries and Occupations Award 2010—where apprentices progress from one wage level to the next by either attaining the stated competency requirements, or by serving out a set amount of time at that level, whichever comes first.

The generic wage arrangements for CBWP in Queensland are contained in Schedule 1 to the Qld Order.\(^{589}\) This schedule sets out five wage levels to achieve a relevant AQF Certificate III qualification. To progress from one wage level to the next wage level an apprentice must either meet the minimum training requirements (the attainment of a specified proportion of units of competency contained in their training plan) or serve 12 months at the specified wage level, whichever comes first.

For each of the five wage levels contained in the schedule, there is a specified proportion of the relevant tradesperson’s rate that is used to calculate the apprentice wage.\(^{590}\) The tradesperson’s rate used to calculate the apprentice wage is contained in the relevant award covering the apprentice. Minimum wage increases to the tradesperson’s rate in an award, for example, will flow-on to increase the minimum apprentice wage for apprentices covered by that award.

All employer participants in the research were confident that they were paying their apprentice employees correctly. Some employers in the research could recall the basic hourly wage rates for each wage level without referencing documentation. Most employer participants in the research reported that they accessed information (including federal annual wage review increases) and advice through peak bodies and consultants. A few employer participants indicated that they researched apprentice wage rates themselves, using internet sites such as Wageline and Fair Work Online. Some participants mentioned approaching AACs, STAs and RTOs for advice on wages, but were directed to other sources.

\(^{586}\) Black Coal Mining Industry Award 2010 (MA000001) [Fed], item A.6.
\(^{587}\) Joinery and Building Trades Award 2010 (MA000029) [Fed], cl 13.4(b).
\(^{588}\) Manufacturing and Associated Industries and Occupations Award 2010 [Fed] (MA000010), cl 15.6.
\(^{589}\) Apprentices’ and Trainees’ Wages and Conditions (excluding certain Queensland Government Entities) Order 2003 (AN140326) [Qld], sch 1, item. 2.
\(^{590}\) Apprentices’ and Trainees’ Wages and Conditions (excluding certain Queensland Government Entities) Order 2003 (AN140326) [Qld], sch 1, item. 2.
4.3.2.1 Wage level determination upon commencement of apprentice employment

Employers in the research had usually sourced their apprentices as new employees to the business in order to commence or re-commence their apprenticeship. There were, however, a few examples of employers entering into apprenticeship arrangements with existing employees. There were examples of employers having workers serve an extended ‘trial’ period under a casual employment arrangement to determine their suitability prior to entering into a training contract, or, in some sectors, to ‘trial’ employees in the workplace for one or two days or shifts. However, employer participants in the research generally considered the probationary period of the training contract to be a valuable period for determining the suitability of the apprentice for the workplace and did not initiate a trial period prior to commencing apprenticeship employment. The wage-setting practices for each of these employment arrangements differed between employer participants, however they all relied on the minimum terms and conditions outlined in their relevant minimum wage instruments.

Wage-setting for new apprentices with no prior experience or training

Setting wages for employees commencing an apprenticeship was considered by employers in the research (subject to either CBWP or time-served arrangements) to be relatively straightforward. From the first day of employment, employers paid their apprentices the relevant proportion of the tradesperson’s rate for wage level one as determined by the relevant minimum wage-setting instrument. Employers reported that this information was typically sourced through their relevant industry association or other external consultants and some participants did their own research using the relevant state Wageline or national Fair Work information services.

No employers in the research had considered setting wages for these employees under any other classification, or paying any variation above the minimum award rate. Employers in the research subject to CBWP and time-served wage progression arrangements alike considered their new employees to be first ‘year’ (level) apprentices.

Wage-setting to ‘trial’ potential apprentices

It was reported by some employer participants that ‘trialling’ applicants for apprenticeships in their workplace was an important risk mitigation and/or quality assurance measure prior to entering into an (indentured) apprenticeship employment arrangement. This was considered a particularly important measure when employing an out-of-trade apprentice re-commencing training. Employers in the research had trialled their apprentice(s) for one or two shifts to inform their judgments of how competent a potential apprentice was in their workplace. When the performance of a potential apprentice was below their expectations they typically did not enter into an apprenticeship employment arrangement. When they felt the performance of the potential apprentice met their expectations they would commence the probationary period of the apprenticeship employment arrangement. Some employers had ‘trialled’ potential apprentices for an extended period of casual employment prior to entering into an apprenticeship employment arrangement.

Wage-setting for apprentices with pre-apprenticeship qualifications or experience

Most employers in the research who had hired an apprentice employee with pre-apprenticeship qualifications or prior experience waited for advice from the RTO to determine what credits their employee would receive and whether there would be implications for wage setting. In the Queensland jurisdiction for example, credits for an

591 The probationary period for apprenticeships in the Queensland jurisdiction is 90 days. The probationary period applies from the start date of the apprenticeship and is included in the nominal term of the training contract. Probationary periods also apply to training contracts in which the apprentice is recommencing their apprenticeship. See Queensland Government Department of Education and Training, Apprenticeships Info, viewed 9 December 2010, <http://www.apprenticeshipsinfo.qld.gov.au/information-resources/info-sheets/is23.html>.
apprentice did not flow on to inform wage setting in the first three months of employment. Some of the employer participants subject to CBWP arrangements would consider a number of factors in determining the wage-setting arrangements for their employees. These factors included how many months or years their new employee had been an apprentice in their former employment, how many months of training the apprentice had undertaken and also whether the apprentice had attained units of competency in their training. Most employer participants reported that, in their experience, the process of determining wage rates for re-commenced apprentices had been relatively straightforward. This was largely because their apprentice had met their requirements for competency in the workplace during a workplace trial prior to commencing the apprenticeship employment arrangement. However, there were some employer participants subject to CBWP arrangements who had experienced some challenges in setting wages for recommenced employees which are provided in examples to follow.

In the Queensland jurisdiction, an employer entering into a training contact with a recommencing apprentice who does not meet their competency standards for the wage level the apprentice is eligible for in terms of duration, the employer may request the apprentice receive a reduced time credit. The reduced time credit may affect the wage level of the apprentice so that the apprentice moves back to a lower wage level or remains at the present wage level when their progression to the next wage level in terms of duration is imminent. Section 13(2) of the Vocational Education, Training and Employment Regulation 2000 (Qld) requires that an application to amend the nominal term of a training contact include the proposed amendment and the reasons for the request. This request must be made with the agreement of the apprentice, and both parties are required to sign the application. The Training and Employment Recognition Council (TERC) then assesses the application. Where the apprentice is deemed to genuinely agree with the content of the request to reduce their time credit, the council may approve the adjustment of the nominal term in the training contract. The example below represents the experience of an employer participant subject to CBWP arrangements who was not aware of the formal process for reducing time credit and had an informal agreement with her apprentice.

CASE STUDY

In terms of duration, Mark was in the third stage of his hairdressing apprenticeship and almost at the fourth stage. However, in competency attainment measures, he was at the second stage. Mark stated that he had not been given opportunities by his former employer to practise his skills. He stated that he was not released from his former workplace to undertake RTO training. Consequently, he had fallen behind in his attainment of competency through training. Mark and his new employer, Sally agreed that as a condition of his employment he would be paid a third-level apprentice wage until he had attained competencies to be eligible to progress to the fourth wage level. This was expected to take many months more than the nominal duration of nine months. The informal agreement was formed on the basis that Mark would undertake intensive training, the cost of which was divided equally between them. The conditions of the agreement also involved delivery of structured in-house training beyond that delivered by the RTO to ‘fast track’ Mark’s competency attainment.

After Mark and Sally had signed the training contract and it had been approved by the STA, Sally was advised by the STA that Mark could have been formally reassessed so that the nominal term contained in the training contract reflected his actual level of competency and the nominal duration Mark required to attain his Certificate III in Hairdressing. Sally indicated that her employment arrangements may have been influenced by fuller up-front information about options for modifying the nominal term of the training contract when competency levels of out-of-trade apprentices did not match the duration of time served in apprenticeship employment.

592 Vocational Education, Training and Employment Regulation 2000 (Qld) s. 13(2).
Some apprentices in the research explained that when they were out-of-trade and looking to recommence their apprenticeship they had applied for advertised positions at the wage level below where they were at in terms of duration. These apprentice participants felt they were not competent or wanted to avoid the pressure to perform tasks they could not undertake confidently. While not expressed in these terms, these apprentice participants felt that they could not secure apprenticeship employment at their actual wage level according to the duration of time. These apprentices had not received training (on-the-job or off-the-job) in their former employment and could not undertake the tasks they felt a new employer would require of them. In one circumstance, the apprentice participant had agreed to commence employment at the lower wage level, but was unsure whether this was formalised through a reassessment process:

I applied for a second year position because I didn’t want to go to a new employer saying I’m a third year and then they expect me to do something and I let them down. I didn’t want them to ask me to do something that they think a third year should be able to do that I can’t do. College said to me that for the amount of time I have done my apprenticeship I should be a third year. But for what I can do [in the workplace] and what I’ve done at college, I’m not. [Apprentice, Hairdressing, CBWP, wage level two, trade school, Brisbane]

In another recommencement example from the research, an employer participant subject to CBWP arrangements had hired an apprentice in the Food trades/hospitality sector who had fallen behind in the coursework component of his training and had not attained the proportion of units of competency for the wage level for which he was eligible in terms of duration. Following a trial in the workplace, the employer participant was satisfied that the apprentice met their expectations for competency at the third wage level, though on commencement of employment the employer chose to adopt the competency-based measures of wage-setting by using the apprentices’ statement of attainment for units of competency achieved to determine the wage level. Following RPL assessments performed by the RTO, the apprentice was recognised as competent at the higher wage level and the employer back-paid the apprentice:

It was just hard to know exactly where he [the apprentice] was. If he’d been with me for the whole of the apprenticeship then it would have been much easier, but taking on someone who is three quarters of the way through is tricky. It was hard to determine what stage he was at and what he should be paid because he was behind in his course work. I said I really don’t know where he’s at - is he a second year, third year? He was so out of kilter with his theory because in his previous employment nobody was keeping track of it. As an employer I want to pay him the right wage, but obviously if he’s not a third year I don’t want to pay for a third year if he’s only really a second year standard. It took a lot of mucking around to get it sorted. Eventually the [RTO] trainer did all the [assessments] and so we back-paid him. [Employer, Food trades, small, CBWP, Brisbane]

For further detail about RPL assessments for apprentices who had recommenced their training see section 4.3.2.4.

4.3.2.1.2 Wage-setting throughout apprenticeship employment

Employer participants subject to CBWP arrangements differed in how they applied CBWP arrangements to their apprentices throughout the course of the apprenticeship. Some employers in the research had adopted the proportional attainment of units of competency as the primary method of wage setting for all of their apprentices. Some employer participants used the CBWP model to advance their apprentices who they considered were ‘exceptional’, but facilitated wage level progressions of their other apprentices according to nominal durations of training or the timeframes in CBWP arrangements. Other employers did not consider setting wages for their apprentices according to competency attainment measures set out in CBWP arrangements, and used the time-served measures instead.
The research explored patterns of wage-setting practices in apprentice employment, and engagement in the training system among the employer participants subject to CBWP arrangements. Analysis of these practices led to the identification of three approaches to wage-setting according to how measures contained in CBWP arrangements were used by employers in the research, including:

- consistently setting wages according to competency attainment;
- selectively using competency attainment measures for the setting of wages; and
- not setting wages according to competency attainment measures (using nominal duration period for wage setting).

The common themes and characteristics for the three wage-setting approaches are provided as examples below. These are examples only and cannot be applied to every employer in the research.

**Employer participants consistently setting wages according to competency attainment**

- Apprentices in the enterprise were attaining competencies ahead of nominal durations.
- Employer was highly engaged in training progression of apprentice and provided structured on-the-job training and opportunities to practice skills.
- Employer regularly communicated with the RTO to monitor progress and address any issues that had arisen.
- Enterprise considered apprentices to be highly valued members of the workforce (even at commencement).
- Employer chose the RTO based on their evaluations of quality, and options for sequencing units of competency and choosing electives.
- Enterprise typically had strong business performance to sustain continuous employment of apprentices and expected apprentice employees to remain in their employment once they had become qualified.
Employer participants selectively using competency attainment measures to set wages

- Some apprentices in the enterprise were attaining competencies ahead of nominal durations and others were progressing according to nominal durations.
- Employer had limited engagement in training progression of apprentice and communicated with the RTO infrequently.
- Enterprise infrequently provided structured on-the-job training and typically provided training to apprentices through observation of tradespersons.
- Enterprise provided apprentices with some opportunities to practise skills in the workplace.
- Employer gave limited consideration to choosing RTO and was typically unaware of options for mode of delivery.
- Employer had limited/no input into development of training plan.
- Enterprise didn’t expect to retain apprentice employees (for long) once they had become qualified.

Employer participants not setting wages according to competency attainment

- Employer had limited engagement in training progression and did not monitor progress through training.
- Employer did not actively seek communication with the RTO.
- Employer was more focused on business requirements than training requirements.
- Employer gave limited consideration to choosing RTO or only had one RTO available or mode of training delivery.
- Employer was not aware of training matters such as having input into development of training plans, training delivery and contact with RTO.
- Enterprise didn’t expect to retain apprentice employees (for long) once they had become qualified.

Employer participants consistently setting wages according to competency attainment

These employer participants had adopted the proportional attainment of competency—as documented in training materials—as the primary method of wage-level progression for their apprentices. They were highly engaged in the training process and wanted their apprentices to acquire skills as quickly as they could. They would regularly sign off on competency attainment in the workplace once demonstrated. They considered each
of their apprentices as an individual and typically had the time and resources to actively encourage accelerated completion of training by monitoring their apprentices’ progress and prompting them to complete their course work and practise their skills:

I am so very hands-on with my staff now that I know exactly where they are and when they need to be there. I try my best to manage that situation well because there have been situations in the past where progression has not been in accordance to expectancy. I find that when all parties get the system, it works well. [Employer, Hairdressing, medium, CBWP, trade school training, Queensland]

The employer participants characterised by this wage setting approach generally viewed competency-based progression through training and wage-setting as an improvement on the former time-served model. They could see tangible evidence of better performance from their apprentices under this model of training and wage progression:

I think rewarding your apprentice is just reward if they are competent in their work ... having an incentive is always good for someone to produce above and beyond what is normally required ... it’s a great thing to help motivate some guys. [Employer, Building and Construction, small, CBWP, online training, Brisbane]

Many of these employer participants considered their apprentices to be an asset to the business at all stages of progression, however most identified that apprentices became more valuable to the business as they advanced through their apprenticeship. Despite the increased wage costs resulting from their (faster) progression, their increased productivity, and importantly, their ability to generate revenue for the business was shaping the attitudes and behaviours of employer participants. These employers were therefore keen for their apprentices to progress through their training as quickly as possible:

I find if the apprentices are good and enjoy what they are doing this is a great system, because it gets them qualified quicker and then able to earn better pay quicker. The people who do love mechanical work do it at home after work and on weekends. These people fly in and out of the apprenticeship and we get them earning more for us and them. [Employer, Automotive, medium, CBWP, trade school training, Brisbane]

Some employer participants who were consistently setting wages according to competency attainment were doing so somewhat reluctantly. These employer participants had been prompted to sign off on competency attainment by the RTO when the competence of their apprentice in the workplace did not necessarily meet their standards for productivity and/or quality:

He can do it, but it’s not a quality job. Back when you had to do four years, because you were doing it over and over, at the end of the four years you could do it perfectly ... The more you do something the better you get at it. He’s competent in doing it, but it’s not 100 per cent. Competent is acceptable, but he could do it better. It depends how fussy a boss wants to be. I mean there’s nothing wrong with what he’s done and he can’t see that there’s anything wrong, but for me as a tradesman that’s been doing it for 20 years, I can see that it’s not right. If it was my car, I’d want better. I explain to him that if I was doing it then I would have done it differently, but he’s competent in doing it so I’ve got to sign him off. [Employer, Automotive, small, CBWP, workplace-based training, Queensland]

Employer participants selectively using competency attainment measures to set wages

These employer participants subject to CBWP arrangements believed that competency attainment for most apprentices was achievable according to the nominal durations for each stage of training. Unlike the employer participants who were consistently using competency attainment measures to set wages, these employers did not actively encourage all of their apprentices to progress through their training ahead of the nominal durations.
Some of these employer participants regulated the rate of progress their apprentices made in their training by signing off on competency attainment according to their measures of competency in the workplace, which were sometimes expressed by the participants to be in terms of timeframes rather than ‘competence’. That is, they would sign off on competency attainment—as documented in training materials—according to nominal durations of training. If they considered an apprentice was ‘exceptional’, they would sign off on competency attainment ahead of nominal durations and facilitate accelerated wage level progressions.

Some of these employer participants expressed concern over RTO assessments of competency and tended to be critical of the training provided by the RTO. These employer participants felt that the practical skill level and level of productivity demonstrated by apprentices in the workplace who were signed off by the RTO was below their expectations for competency:

... [apprentices need to be] trained by people who haven’t been behind a desk for 20 years where so much has changed [in the industry]. [Employer, Building and Construction, micro, CBWP, trade school training, Queensland]

We find that competency-based training can sometimes be watered-down training. Although they have been deemed competent in [trade school], there can be a very big gap between what is competent in the workplace. [Employer, Hairdressing, small, CBWP, trade school training, Brisbane]

Some of these employers effectively considered the time-served model of progression through the apprenticeship as the primary method of wage progression and selectively used the competency attainment measures when an apprentice was considered ‘exceptional’ and worthy of progression ahead of the nominal durations:

My base for all my guys is an annual thing. The only reason I vary that is if they are showing an exceptional level of skill or competency. If I can see I’m getting really good feedback about you [from the foreman] and I can see that you’re progressing in all levels of your training and your value to me is more then what I’m paying then I’m happy to progress you up to the next level. Even though it’s supposed to be competency-based, it’s still based around that four year apprenticeship. [Employer, Building and Construction, small, CBWP, online training, Brisbane]

Every nine months the wage increases or when they have completed certain competencies. [Employer, Hairdressing, small, CBWP, trade school training, Brisbane]

**Employer participants not setting wages according to competency attainment**

These employer participants subject to CBWP arrangements were adjusting wages as time had been served at each wage level. Some of these employers had limited engagement in their apprentice’s training and were not monitoring the attainment of competencies or actively encouraging their apprentices to complete their training ahead of, or within, the nominal durations. Some of these employers considered that their apprentices were competent for the wage level they were at regardless of documented attainment of competency. Others did not, but were required to increase the pay rates after time had been served at each wage level.

Similar to employer participants who would selectively set wages according to competency attainment measures, some of these employer participants were critical of RTO training. They also voiced concern about the disparity between the RTO measures of competency and their measures of competence in the workplace:

Competency has not increased by attendance at TAFE ... I think the theory delivered at TAFE needs to be much more comprehensive and the level of student results lifted as they cannot carry out the simple mathematics required for stairs and roofing ... We operate in regional Queensland and do not have any options for RTOs. The training is delivered 130 kilometres away and is scheduled twice yearly in two week blocks. [Employer, Building and Construction, small, trade school training, Queensland]
Some of these employer participants questioned whether CBWP acted to motivate apprentices as they had not seen any tangible evidence in their workplace that productivity had increased following wage increases:

Whilst the apprentice is always happy to receive an increase, for the most part our apprentices have not generated more or better work. [Employer, Building and Construction, small, CBWP, trade school training, Queensland]

In contrast to the employer participants following the competency attainment measures for wage setting, these employers typically focused more on wage costs in evaluating the value of apprentices to their business. These employer participants did not necessarily want their apprentices to progress through stages of training ahead of nominal durations as they had not seen commensurate productivity gains (typically in the form of revenue generation) as their wage costs increased to 90 per cent of the tradesperson’s rate in the final level of apprenticeship employment. These employers considered apprentices in the latter stages of their training who could not generate (enough) revenue to cover their wage costs as low value to the business:

In theory wages have been set to relate to productivity levels and output, but in reality we see a great discrepancy. Competency has not kept pace with the pay rises ... It depends on the attitude of the apprentice. In our experience their value to the business has not grown significantly, but we know that there are apprentices out there who are serious about their trade and do indeed help the business. [Employer, Building and construction, small, CBWP, trade school, Queensland]

There was a further approach to wage setting that could be identified through the experiences of apprentice participants and through concerns shared by RTO participants and through employer participants who had hired and trialled out-of-trade apprentices. These employers (who did not participate in the research) would not engage in the training process at all, and therefore their apprentices could not progress through wage levels according to competency attainment measures. These employers would not (regularly) release their apprentice from the workplace to undertake training, and would not provide on-the-job training or opportunities for the apprentice to develop their skills beyond the minimum requirements of the workplace. These employers set wages for their apprentices at the lowest level possible (in accordance with time served) with no consideration of wage progressions:

I was still a first year at my old job because she wouldn’t put me up a year [after nine months] ... Now I’m second year, but I should be a third year [wage level] because it’s been two years [24 months] since I started my apprenticeship. I wasn’t sent to college. I had been there for almost a year and she sent me once to [the RTO] but then she wanted to change colleges because she said they were unreliable. When I asked her about it a couple of months later she said “you were supposed to organise your college”. But how was I supposed to organise it—I didn’t know anything about organising it. ... I feel like I was being used. I was getting paid $220 per week even though I was cutting, colouring, everything. I’d rather be where I am now because I know that they are all really good hairdressers and I know I’m going to get the right training, whereas, my old boss would just say this is how you do it, now go do it. [Apprentice, Hairdressing, CBWP, wage level two, Brisbane]

4.3.2.1.2.1  The process for progression between stages of training and wage levels for CBWP arrangements

There were a variety of processes described by employer and apprentice participants used to manage progression through stages of training that flowed on to inform CBWP measures. These processes varied across the different modes of training delivery and the level of communication between the RTO, apprentice and employer.

Some employer participants explained that they were in regular contact with the RTO and were updated on training progression throughout each stage of training. These employers were typically subject to models of RTO training delivery and assessment in which their opinion of competency in the workplace informed the trainer’s assessment.
of competency. Other employer participants explained that when their apprentice was approaching the next stage of their training the RTO would initiate a consultation with them to discuss the progress being made in training and their level of competency in the workplace. Some employer participants in the research reportedly did not discuss their apprentices’ rate of progression with the RTO until the apprentice was due to progress to the next stage. There were also some employer participants who did not hear from the RTO directly, but received notice through their apprentice that he/she was due to progress to the next stage. In these circumstances the RTO assessments of competency were provided separately to employer assessments of competency.

The competency-based progression model of training that informs CBWP requires agreement from all parties that the apprentice is competent to facilitate progression to the next stage and wage level. Most employer and apprentice participants in the research felt that the way the competency-based progression models operated in practice, employers set the pace of progression as they would sign off of competency attainment in the workplace and they did so at their discretion. Consequently, the opinions of the RTO and the apprentice were secondary:

My employer determines when I move up in stages of the apprenticeship, and when to book in TAFE blocks. For each [unit of competency], you complete the TAFE theory and get it signed, you fill out a log book on each related unit of competency and sign off when you think you are capable, then you get a supervisor to sign you off to say that you are practically capable, then a TAFE correspondent comes out and checks it all and signs off to complete it, but then your employer has the choice to move you up early or wait for the designated time ... When I have completed practical and theoretical competencies for that set year [stage] of the apprenticeship I get it signed off by a TAFE training correspondent and I go to my manager and ask to move up, but both times I have been denied until a year has passed for each stage of the apprenticeship. [Apprentice, Automotive, CBWP, 18-20 years, wage level three, Brisbane]

Furthermore, as workplace-based apprenticeships are comprised predominantly of on-the-job training and experience, these factors were considered by all employer and apprentice participants in the research to be critical to an apprentice achieving competence in the workplace. Opportunities to practise skills and apply skills to different scenarios were provided at the discretion of the employer and considered by some apprentice participants to be a method for regulating progression through the apprenticeship. Another method for influencing progression rates discussed by apprentice and RTO representative participants was releasing the apprentice from the workplace to undertake RTO training.

Some employers in the research who were highly engaged in the training process would regularly sign off on competencies as they were demonstrated by their apprentice in the workplace. Other employers in the research who were less engaged in the training process would sign off on competencies when they were prompted by their apprentice or when they found the time to do it.

As described in the following section, some employers in the research did not sign off on competency attainment when they were prompted by their apprentice or the RTO because in their view, the performance of their apprentice in the workplace did not meet their expectations of competency. These employers were reportedly providing opportunities for their apprentices to gain experience in the workplace, but felt that the performance of their apprentice did not meet their measures of competence. Assessments of competency were typically described by employer participants as measures of productivity, confidence and the accuracy with which their apprentice would execute their skills consistently.

Allowing time to properly acquire skills was a common theme among employer participants. Employers in the research felt apprentices required time to be exposed to different experiences and to apply their technical skills in different environments and situations before they would consider them to be competent. Employers also felt that apprentices required time to repetitively perform tasks to build their confidence to a level where they could take responsibility for their work and perform tasks without the need for supervision.
4.3.2.2 Wage progression determinants

Key findings

Employer and apprentice participants explained that the training requirements contained in CBWP arrangements (proportion of units of competency) and how this informs wage setting under the CBWP arrangement was not documented for them. There were no clear links establishing how the content of their training plan would be used for wage setting purposes. It was an area of apprentice wage determination that employer and apprentice participants were generally unable to explain or did not speak about with certainty. However, all participants in the research were aware of the arrangement and had some understanding of how it should operate.

The proportion of competencies attained through training was a process undertaken by RTOs to manage each apprentices’ progress through stages of training. Apprentice and employer participants typically relied on this advice from the RTO to inform wage setting according to competency attainment.

The proportion of competencies attained by an apprentice was determined by dividing the total number of competencies (units of competency or competency points) or the total number of nominal hours of training between the four stages of training.

Some employer participants in the research explained that they were alerted by the RTO and/or their apprentice when their apprentice was approaching attainment of enough competencies to progress to the next stage of training, and consequently, the next wage level.

Most employer participants in the research acknowledged that attainment of competency as determined through the documentation of RTO training informed wage setting. However, a recurring theme emerged from the research with employer participants was that training system measures in assessments of competency are different to measurements of ‘competency’ in the workplace.

Employers in the research focused on productivity measures to assess competency. Where there was a wage cost implication for assessing competency attainment; they wanted to ensure they received a commensurate increase in productivity to offset the increased wage cost. Most employer participants felt they had discretion to sign off on competency attainment once their apprentice had achieved a level of productivity that met their measures of competency. A potential limitation of this model revealed through the research occurs when apprentices (and RTOs) feel that the employer is deliberately delaying sign-off to avoid paying higher wages.

Although subject to CBWP arrangements, some employers in the research were determining wage progressions using the timeframes for each wage level of the apprenticeship with little or no regard for the progress their apprentices were making in their training. These employer participants considered the RTO training a discrete element of the apprenticeship that was separate from on-the-job training and experience, with direct consequences for wage adjustment. As a consequence, they did not use measurements of competency documented through RTO training to inform wage-setting.
4.3.2.2.1 Interactions between industrial instruments and vocational training materials for CBWP arrangements

CBWP for apprentices is determined by the interaction of industrial instruments and state jurisdiction-based training procedures including vocational training materials. Apprentices covered by the Qld Order for example, progress through four graduated wage levels to achieve an AQF Certificate III qualification. The Qld Order outlines the training requirements of each wage level, namely the attainment of a specified percentage of units of competency contained in the training plan. The training plan forms part of the training contract that makes the employment an indentured arrangement.

The proportion of units of competency required to be attained to progress from one wage level to the next were consistent across the Building and construction, Hairdressing and Automotive sectors in the research. The requirements for competency attainment contained in the Qld Order for Cooking apprentices in the research required a specified number of units of competency to be attained to progress to the next wage level. The measures for proportional attainment of competency contained in the federal Manufacturing and Associated Industries and Occupations Award 2010 for stages of progression for engineering trade apprentices in the research were the same as the measures in the Qld Order.

The proportion or number of attained units of competency or competency points varied in application according to the content of each training plan. The training plan is intended to be developed according to the individual needs of the apprentice and their employer, while complying with packaging requirements set out in the training package. The packaging requirements for units of competency that can comprise the AQF Certificate III qualification, together with the requirements of the employer, apprentice and the practices of the RTO in designing state-based training plans determine the content of the training plan.

Under the Queensland training system, training plans are designed to deliver training for all units of competency across an expected duration, which for most apprenticeships is the same as the nominal term of the apprenticeship training contract. The expected duration is a separate measure to the nominal term and is intended to be used by the RTO to design the training plan. It is the timeframe determined by the STA in which an apprentice—achieving units of competency at a reasonable rate of progression—can be expected to complete their apprenticeship. There were two sectors in the research in which the expected duration was six months less than the nominal term (Building and construction and Engineering trades).

An example is Certificate III in carpentry for which the nominal term of the apprenticeship is 48 months (four stages of 12 months), and the expected duration is 42 months (four stages of 10½ months). As the nominal timeframes for the stages of progression contained in the training plan (10½ months) are different to the wage level timeframes contained in the wage progression schedule (12 months), implications for wage setting arise. Following the expected duration timeframes would effectively involve accelerating progression through the CBWP model (according to competency attainment) as apprentices are progressing through stages of training ahead of the 12-month periods for each wage level.

Although difficult to reliably determine, some carpentry apprentices in this research who were progressing through stages of training ahead of the nominal durations may have been progressing through their apprenticeship according to the expected durations, and this was flowing on to their wage progression outcomes. There were...
clear examples in the research of Engineering apprentices in Victoria progressing through their training ahead of the nominal durations, in which units of competency were scheduled in their training plans to be attained within 10 months or less. See section 4.3.2.3.2 for further detail about scheduling training delivery.

The nominal term of the training contract typically corresponds with the sum of the timeframes set out in the CBWP arrangements of the relevant industrial instrument (most commonly for apprentices in the research being in the Qld Order). The CBWP arrangements for Cooking apprentices contained in the Qld Order allows for progression after 12 months has been served; however, the nominal term for each stage of training is nine months. Thus, the apprentices who were progressing through wage levels according to the nominal durations for each stage of training (nine months) were progressing more closely through the CBWP model according to competency attainment rather than the measure of time served at each wage level.

The training plan of an apprentice is intended to be designed at the individual level. The total number of units of competency that comprise the Certificate III qualification are consistent, but as all apprenticeships include elective units, the nominal durations for undertaking training differ according to the nominal hours of training for the elective units contained in the individual training plan. All methods of apprentice wage progression require a minimum proportion of competencies to be achieved within each of the four stages of the apprenticeship. When the training plan is designed, the sequence that units of competency are to be undertaken is set—though this can be adjusted throughout the apprenticeship. Nominal timeframes for commencement and completion of each unit of competency are then assigned. Through the process of developing the training plan, the total number of units is divided across the four stages of the apprenticeship—and adjusted as required—using methods described in the following section.

4.3.2.2 Measuring and monitoring competency attainment to inform CBWP requirements

Determining the proportion of competencies that comprise a stage of training which flows on to inform a wage level was an area of apprentice wage calculation that employer and apprentice participants were generally unable to explain or describe with certainty. Some employer participants felt that the process was challenging to determine because information was not readily available to either follow the training progression of their apprentice or to draw the links between wage-setting operations and training progression. For some participants in the research, the management of training progression largely rested with their RTO, though this did not extend to involvement in wage progression issues. Though the RTO was mindful of the CBWP model of advancement through wage levels and the links between stages of training and the wage levels, management of wage progression rested with the employer. Instead inquiries received by the RTO from employers or apprentices about wage-setting arrangements were referred to the relevant state Wageline or national Fair Work information services.

Some employers in the research described monitoring their apprentices’ progress by checking their ‘log book’ and ‘learner record book’ to keep track of training progression, and had a good understanding of how training progression and wage setting were linked. Interestingly, few employers spoke about referring to the training plan throughout the apprenticeship to obtain information about the attainment of units of competency. Some participants even commented that the training plan would be ‘filed away’ as they did not understand the importance of the document:
The training plan gets filed away and forgotten about. I only recently learned the benefit of the training plan because the RTO had not really explained it. I think that was because it’s not really helpful to them that we now know we can adjust the training plan to fit our requirements better. [Employer, Food trades/Hospitality, large, CBWP, trade school, Queensland]

Few apprentice participants in the research mentioned that they refer to their training plan to monitor their proportional attainment of competency for wage progression purposes. Few apprentice participants could recall the proportion of competencies they had completed, or how many more units of competency they needed to attain to progress to the next wage level or to complete their apprenticeship. Some apprentices advised that they were discouraged by their RTO to look beyond the competencies they were undertaking at any time to avoid becoming confused.

4.3.2.2.1 RTO methods for measuring the (proportion of) units of competency attained

Employers and apprentice participants explained that their RTO would divide the units of competency that comprise the AQF Certificate III qualification between three or four stages of the apprenticeship when designing the training plan (these methods were further expounded upon by RTO participants in the research). However, the method for determining how the units of competency were divided varied according to practices of the RTO and requirements contained in the training package for each AQF Certificate III qualification. The method by which competency attainment measures were derived were either influenced by CBWP measures or flowed on to affect CBWP measures. The research identified three distinct methods which are outlined below:

- the RTO divides the total number of units of competency between the stages of training;
- the RTO divides the total nominal hours of training delivery for the units of competency between the stages of training; and
- the RTO divides the total number of competency points between the four stages.

The RTO divides the total number of units of competency between the stages of training

Once the RTO had finalised the units of competency that comprise the AQF Certificate III qualification and the sequence that units were to be delivered, the total number of units of competency that comprise the apprenticeship were divided between the stages of training. For example, the Hairdressing Certificate III comprises 29 units of competency,596 which could be divided into four stages so that eight units of competency were delivered in the first nine-month period and then seven units of competency in each of the following nine-month stages. Timeframes for commencement and completion of units of competency were allocated according to the nominal hours of each unit and spread out across the nine-month stage. An apprentice would progress from one stage of training to the next once all parties had signed off on all of the units of competency for each stage of training. Wage level progressions were expected to flow on from progressions through stages of training.

The RTO divides the total nominal hours of training delivery for the units of competency between the stages of training

Once the RTO had finalised the units of competency that comprise the AQF Certificate III qualification and the sequence that units were to be delivered, the total nominal hours of training was divided between the stages.

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of training to determine the second, third and, where applicable, fourth stage. That is, the apprentice would progress from one stage of training to the next when they had been assessed as competent in the equivalent units of competency that comprised the portion of nominal hours of training.

A variation of this approach was being used for the Queensland apprentices in the research in the food trades sector that were undertaking the commercial cookery Certificate III qualification. Under the Qld Order, for this qualification, wage level progression requirements were for a specified number of units of competency rather than a proportional measurement. The method of calculating progression through training was linked to the CBWP measures so that calculation of stages of training involved determining the nominal hours for the number of units of competency to be attained at each wage level. That is, the total number of nominal hours for the first 16 units of competency (as contained in the cooking apprentices wage schedule in the Qld Order) comprised the first stage of training in the individual training plan. The nominal hours for the next seven units comprised the second stage of training, and then the nominal hours for the last six units comprised the last stage of training, bringing the total number of units of competency to 29 units attained over 36 months (three years).

The RTO divides the total number of competency points between the four stages

Unlike other sectors in the research, the measures used in the training package and wage schedule in the engineering trades were competency points. The total number of competency points that comprised the AQF Certificate III qualification was said to have been derived from the total nominal hours of training required. A further difference of the engineering trades training package to the other sectors in the research is that attainment of some core units that comprised the AQF Certificate III qualification had no effect on wage level progression as they did not have competency points attached to them, which are required to progress through stages of training and flow-on to inform CBWP measures.

Once the RTO had finalised the units of competency that comprised the AQF Certificate III qualification and the sequence that units were to be delivered, the total nominal hours of training was divided so that 25 per cent of competency points would be achieved in each stage of training. Most of the units of competency in the training plan that did not have points value were scheduled in the first stage of training.

4.3.2.2.3 Determining wage level progressions using competency attainment measures

A variety of views about what constitutes ‘competency’ were identified across the employer participants in the research and also some divergent views between the employer and apprentice participants and the RTO participants emerged.

Most employer participants felt they had discretion to sign off on competency attainment once their apprentice had achieved a level of competency that met their expectations. The standard of workplace competency was referred to by some employer participants as the ‘industry standard’. Rather than using specified competency standards to determine competency—such as RTO assessments, which are guided by standards contained in the Training Package—employer participants considered their own performance and productivity measures specific to the workplace to determine competency.

Limitations of this model emerged when some apprentice participants reported that they had completed their training ahead of the nominal durations and considered themselves to be competent and/or the RTO had signed them off as competent, but their employer did not consider them to be competent in the workplace, and where relevant, would therefore not progress them to the next wage level. These apprentice participants felt that their
employer was deliberately delaying their progress, whereas the employer participant was not satisfied that they
had achieved a level of competency that would deliver commensurate gains in productivity and therefore did not
agree that their apprentice was ‘competent’ in the workplace (to industry standard).

Other apprentice participants in the research were unaware of their proportional attainment of competency
and how this informed CBWP arrangements. Furthermore, these apprentice participants were not progressing
through their training ahead of the nominal durations—which was how progression through stages of training
and wage levels was typically explained to them by their employer and their RTO.

The apprentice participants in the research who were progressing through stages of training (and consequently
wage levels) earlier than the timeframe requirements at each wage level considered this to be a ‘bonus’ or
‘reward’ for their efforts more so than a minimum wage entitlement.

4.3.2.2.4 Determining wage progressions by the expiration of time

Some employers in the research who were subject to CBWP arrangements considered wage progressions
through the apprenticeship in terms of ‘years’ or months, with limited or no consideration for measures of
competency attainment. These employers generally had limited engagement in the progress that their apprentice
was making in the training delivered and documented by the RTO. These employer participants held firm views
about the amount of on-the-job experience required to achieve competency and the time this takes.

Some employers in the hairdressing and food trades/hospitality sectors explained that progression within the
stages of the three-year nominal term (which was said to have been reduced from four years without substantive
changes to the content of the qualification) was challenging for some of their apprentices. These employers
were setting wages according to the timeframes for each wage level if their apprentices were not attaining
competencies within the nine-month nominal durations.

The wage schedule contained in the Hairdressers’ Industry Award—State 2003 (Qld) allows for progression
to occur after one-quarter of the nominal term of the apprenticeship has been served at each wage level. This
provision is different to other sectors in the research in which CBWP timeframe measures allow for a period of
12 months to be served at each wage level.

The employer participants who advised that their apprentices’ were not attaining competencies within the
nominal timeframes went on to explain that they may need to apply for an extension to the nominal term of the
training contract if their apprentice does not attain all required competencies within the three year nominal term
of the apprenticeship:

Competency-based progression is the best way to training in my opinion as they only proceed to the next stage
by actually being competent. Currently I am in a position where his completion date is coming, but he is not
in a position of competency to finish ... [so] I’ll have to call in his apprenticeship coordinator and discuss a new
completion date. [Employer, Food trades/Hospitality, small, CBWP, workplace-based training, Brisbane]

There were some employer participants subject to CBWP arrangements who could not offer an explanation
of why they adjusted wages according to timeframes rather than according to their apprentices’ progression
through their training. It appeared that they were attached to the traditional method of time-served wage
progression through the apprenticeship. These employers typically had limited communication with the

597 Hairdressers’ Industry Award—State 2003 (AN140140) (Qld) cl 9.8, Table 1.
RTO about the training progression of their apprentice. Other employer participants explained that they felt competency in the workplace was not achievable any faster than 12 months at each wage level. Regardless of RTO assessments and efforts of their apprentices, these employers were dedicated to the time-served model of advancement through the apprenticeship:

[I] don’t like competency-based. No matter how competent you are you need the time to get experience. You’ve got to do your time with the tools. [Employer, Automotive, small, CBWP, workplace-based training, Queensland]

I didn’t get to go through that system. I was made to do four years. I think that’s how it should still be. Competency-based, yeah, that’s all good but they should still do the time because there is so much to learn. They can’t be signed off earlier because they won’t know everything. I’m still learning now and I finished my apprenticeship 10 years ago. [Employer, Automotive, medium, CBWP, trade-school training, Queensland]

Some of these employer participants considered the RTO assessments of competency to be inaccurate or irrelevant for wage-setting purposes. These participants explained that they were deliberately not using the RTO calculations of progression, or that they had never considered the measures of competency attainment through training in their approach to wage setting:

They come out to the workplace and do an assessment. But their assessment is only seeing the apprentice do something once and then that person is ticked off. So it may be something where there are a myriad ways or processes for doing it, and she [the apprentice] just does has to do it once and they’ll sign it off. [Employer, Hairdressing, small, CBWP, workplace-based training, Brisbane]

For the employer participants subject to time-served wage progression arrangements contained in modern awards in Victoria and the plumbing licensed trade under the Qld Order, the expiration of time was the only measure for progressing through wage levels. Each year from the commencement of the apprenticeship they would increase their apprentices’ wage to the next level. While their apprentices’ progression through training did not inform wage setting, these employer participants displayed similar engagement in the training and competency attainment of their apprentices as the employers who were subject to CBWP arrangements. Their level of engagement was largely influenced by the time they had to dedicate to monitoring their apprentices progress and the mode of training delivery and assessment. Most of these employer participants were not actively encouraging their apprentices to complete their training ahead of the nominal durations (like the employer participants who were consistently using competency attainment measures to set wages).

Similar to employers under CBWP arrangements, employers under time-served wage progression arrangements expected a commensurate increase in productivity and responsibility from their apprentice with each wage level increase. Often it was an annual wage level increase that prompted these employer participants to evaluate the skill levels of their apprentices and revise their expectations for productivity for the next stage of the apprenticeship:

After each year of his apprenticeship I alter his wages accordingly. I notify him on his new wage and what is expected of him during the following 12 months. With the wage increase comes more responsibilities and expectations now that he has more experience and hence he must produce more, both quality and quantity in his work output. [Employer, Automotive, small, time-served wage progression, trade school training, Melbourne]

I think the wage progression helps you as an employer because once you realise they are costing you more money you sure as start to push them. [Employer, Hairdressing, small, time-served wage progression, trade school training, Melbourne]

The evaluation of productivity and performance appeared to occur more frequently for some of the employer participants subject to CBWP arrangements who were progressing their apprentices through wage levels
4.3.2.5 Calculating wages upon completion of training

Some employers in the research reported that they would sign off on attainment of all units of competency prior to the nominal term of the training contract, considering this a ‘fast tracking’ form of CBWP. These employers felt that when an apprentice had completed all of their RTO training and demonstrated that they could bring all of their technical skills together in the workplace—as well as having the confidence to perform their role without any level of supervision—they could complete the apprenticeship ahead of the nominal term.

This model of CBWP was also discussed with employer participants subject to time-served wage-setting arrangements (with the exception of the plumbing licensed trade). It was a process that they would consider adopting where their apprentices could demonstrate value to the business to the level of a tradesperson, and, where their apprentice expected it.

Some employers in the research explained that they were reluctant to allow their apprentice to complete early as they expected or were concerned that their employee would leave the business once they were no longer under the indentured employment arrangement. These employer participants were typically concerned about getting a return on the investment they had made in their apprentice employee before they leave the business:

I got burned. My apprentice got money from the government, $1000 or $1500, for finishing early. We had an understanding that he wasn’t going to leave [the business] if I finished him after three years and six months, but within a month of finishing [the apprenticeship] he was gone ... In future I’m going to keep them all on for the four years. [Employer, Building and Construction, medium, CBWP, trade school, Queensland]

There were some anecdotal examples provided by employer participants suggesting that the early completion provision may be used by some employers to get out of the indentured employment arrangement with an employee they no longer want in their business. The insight of this circumstance came from the employer participants’ experience of interviewing applicants for ‘qualified’ positions for which the job seeker was not considered employable by their standards at the tradesperson rate:

I think it helps employers who want to get rid of apprentices. You have people apply for positions and you’ll ask “how long did you do your apprenticeship?” And they say, “Oh, I’ve just finished it.” “So how long were you hairdressing?” “19 months.” You can just tell that the employer wanted to remove them from the salon so rushed them through at the end. They’ve completed them early to get them out of the salon—out of the training contract—which is hard because these kids don’t necessarily have the skills then. [Employer, Hairdressing, medium, CBWP, workplace-based training, Brisbane]

Some apprentice participants in four-year apprenticeships indicated that their training plans were designed to complete the RTO training component by the end of the third stage of the apprenticeship. In their fourth stage, apprentices worked full time in the workplace. During this period, apprentices were considered ‘pole/partial complete’ until their employers signed off that they were competent in the workplace. Some apprentice participants explained that they planned to request an early completion when they expected to continue employment with their employer and did not require the ‘security’ of indentured employment. Some apprentice participants felt that their employer may sign them off as competent ahead of the nominal term of the training contract when they had completed all required training within the three stages of the apprenticeship. Other participants felt that their employer was not likely to do so:
If you get all your modules done and you are competent by the time you go to fourth year, they can sign you off. It’s completely up to them [the employer] though. They may know you’re competent, but still not sign you off to save money on wages. [Apprentice, Automotive, CBWP, 21-25 years, wage level three, Brisbane]

4.3.2.3 Delivery of training

Key findings

Although competency attainment was the method by which apprentice participants in the research were progressing through training; many employer and apprentice participants in the research discussed advancement through training in terms of timeframes and dates. For example, all participants referred to ‘years’ rather than ‘stages’ of training progression, even where the nominal duration for each stage of training was not a 12-month period.

When prompted on the topic of competency-based progression through training, employer and apprentice participants (subject to both CBWP and time-served wage progression arrangements) would generally refer to broad skills and tasks competently performed in the workplace to explain the stage of progression. Until questioning became specific, participants did not consider advancement through the apprenticeship in terms of the proportion of competencies achieved (and consequent potential wage implications), but rather length and duration of training.

There were a number of aspects of the delivery of training that influenced the progress apprentices participants subject to CBWP arrangements had made in their training, and consequently their access to CBWP. These aspects included the content of their training plan, how and when training was delivered and the assessment of competency.

The research included employer and apprentice participants in workplace-based RTO training arrangements, online training and training delivered through trade school. The mode of training delivery emerged as a key influence on the rate of progression apprentices in the research made through their training that flowed on to influence their wage progressions. It was also a useful indicator of employer engagement in the training progression of their apprentices. The workplace-based delivery of training and regular attendance at trade school facilitated progression through training ahead of nominal durations. The workplace-based model of training delivery in which the RTO has regular contact with the employer was, for employer participants, reported to be more conducive to employer engagement in training progression than the trade school delivery mode.

Acquiring skills through off-the-job training and how this translated to practical skills in the workplace was an area where the divergent interests of employers, apprentices and RTOs emerged. Employers, apprentices and RTOs in the research agreed that as workplace-based apprenticeships comprise predominantly of on-the-job training and experience, these factors were critical to an apprentice attaining competency and being able to access CBWP. However, this component of the apprenticeship was delivered at the discretion of the employer and few RTO or apprentice participants felt that they could influence how and when on-the-job training was delivered.

598 Note: an apprentice may progress through their training at accelerated rates according to their attainment of competency under all wage progression arrangements (time-served and competency-based); however, under exclusively time-served wage progression arrangements, wage-level progressions occur at the specified intervals regardless of training progression.

Delivery of training

Under the apprenticeship employment model, upon commencement of employment the employer (and apprentice) negotiated with a RTO of their choice as to how the RTO training would be delivered to the apprentice, content of the individual training plan, sequencing of units of competency that comprise the individual training plan and other aspects of training. For participants in regional areas there was less choice of RTOs and consequently mode of training delivery and other aspects of training that influenced their rate of progression. For some participants in the research there was only one RTO available.

Some employer participants to the research reportedly chose a RTO without consulting their apprentice(s). These employer participants typically cited quality and reputation of the training provider as the primary reasons for selection. Other employers consulted with their apprentice(s) to decide on a RTO. These decisions were often influenced by factors related to convenience for the workplace and apprentice to undertake training. Some apprentices in the research explained that they were able to choose the RTO that delivered their training or that the choice of training provider was influenced by convenience for them or continuity of RTO where they had recommenced their training with a new employer.

A number of aspects of RTO training delivery influenced the progress apprentices in the research had made in their training, and consequently their access to CBWP. These aspects included the content of their training plan, how and when training was delivered and the assessment of their competency.

4.3.2.3.1 Individual training plans

The minimum number of units of competency or competency points contained in the individual training plan is dictated by requirements set out in the training package for each AQF Certificate III qualification. Most apprentice and employer participants in the research believed that their training plan consisted of the minimum number of units of competency required to achieve the AQF Certificate III qualification. However, some participants were unsure as they had not been involved in the development of the training plan.600 One of the engineering trade GTO employer participants explained that the training plans they designed for their apprentices’ comprised more than the minimum number of competencies required to attain the AQF Certificate III qualification. This affected how the proportional competency attainment measures set out in the CBWP arrangements were applied for each apprentice.

The units of competency that comprised the individual training plan are also dictated by packaging requirements set out in the training package which comprise core or compulsory units and also elective units of competency. The number of elective units contained in each participant’s training plan and their scope to choose the units that comprised their training plan varied significantly. For example, commercial cookery apprentices in the research had three elective units in their training plan, hairdressing apprentices had six electives, carpentry apprentices had eight elective units and the training plans for automotive and engineering trades were packaged to contain core and elective units across various streams of training.

The units of competency that comprised the individual training plan determined the nominal hours of training required for each stage of training and the total nominal hours of training required to attain the AQF Certificate III qualification. The training packages for each of the sectors in the research indicate that the selection of

600 The Queensland Government User Choice 2010-2015 Policy provides for funding to Pre-Qualified RTO suppliers to deliver the minimum number of Units of Competency or Points specified by the TERC that are needed to achieve an Apprenticeship outcome. It is therefore likely that most individual training plans comprise the minimum number of units of competency required to achieve the AQF Certificate III qualification as funding is not available for units of competency beyond the minimum required to achieve an Apprenticeship outcome. See Queensland Department of Education and Training, User Choice 2010–2015 policy, viewed 23 December 2010, <http://www.training.qld.gov.au/training-organisations/user-choice/documents-2010-2015.html>
elective units be guided by either the job outcome sought by the apprentice or the requirements of the workplace/employer. For example, all qualifications in the Metal and Engineering Training Package have the capacity for customisation to suit the needs of enterprises and learners. However, some of the apprentice and employer participants in the research reported that they had not had any input into the design and content of the training plan. It was further explained by RTO participants that the selection of elective units did not always operate as intended. Some RTOs do not offer any flexibility or explain to apprentices and employers that there is flexibility to choose elective units.

Some apprentice participants explained that they had chosen the elective units and that they had flexibility to substitute units of competency throughout their apprenticeship. Other apprentice and employer participants explained that elective units in the training plan had been chosen to complement tasks undertaken in their workplace and that elective units could be substituted when tasks were not undertaken within the nominal durations so as not to delay progression:

One of my apprentices is getting to the end of his theory and one of the electives he chose was advanced roofing. He’s probably only got nine months left of his apprenticeship and we haven’t got any advanced roofing jobs on the horizon so we’ve discussed that with our [training provider] and we changed that elective to one that he’s done numerous times so he’s been signed off on that one. All the base subjects we cover day-in-day-out. It’s just the advanced ones and the electives that we’d substitute. [Employer, Building and Construction, small, CBWP, online training, Brisbane]

Some employer participants in the research had input into how units of competency were sequenced when the training plan was designed. As per instructions contained in training packages, the sequencing of units should be guided by the requirements of the workplace with consideration of pre-requisite units to be undertaken before other units. As explained by many employer participants and the RTO participants though, the sequencing of units was not always set according to the requirements of the workplace and how RTO training complements on-the-job training. Rather, for some participants in the research, the timing of training delivered across the two modes did not complement one another.

4.3.2.3.2 The mode and scheduling of RTO training

According to apprentice participants, the mode and scheduling of training greatly influenced the rate of progress they made in training. Some apprentice participants considered that they did not control when units of competency were undertaken, while others felt that progress through their training was largely within their control.

In the Queensland jurisdiction, RTOs are guided by the STA to develop individual training plans using an ‘expected duration’. That is, RTOs are required to schedule the timeframes—dates for commencing and completing each unit of competency—using the expected duration of the training. The expected duration is the amount of time that it is reasonably expected that an apprentice could become competent and complete the Certificate III qualification. For the carpentry and bricklaying trades in the research, the expected duration was six months less than the nominal term contained in the training contract. Training should be scheduled so that units of competency would be delivered across 10½ month stages; however, the experience of the apprentice participants in the research was to follow the nominal durations of 12 months at each stage of their apprenticeship rather than the expected duration of 10½ months.

There were clear examples in the research of engineering apprentices in Victoria progressing through their stages of training ahead of the nominal durations. Units of competency were scheduled in their training plans to be attained within 10 months or less. These apprentices were employed by GTOs.

There were three options for delivery of RTO training discussed in the research; these were trade school, workplace-based and online. The mode of training delivery was considered by apprentice and employer participants to have a significant influence on the timeframe in which units of competency could be attained.

Some modes of training delivery facilitated an employer participant’s involvement in the progression of their apprentices better than others. For example, the online mode of training delivery provided employers with an online portal to easily check what tasks or units of competency their apprentice had attempted and completed. This mode of training delivery required the employer to perform most assessments of practical skills too:

I can see what they’ve attempted and what they’ve passed in their online training ... So I can see what they’re up to, what they’ve done and make sure they’re up to date. [Employer, Building and Construction, small, CBWP, online training, Brisbane]

For the workplace-based mode of training delivery, employer participants would discuss their apprentices’ progress with the RTO trainer on a regular basis when the trainer attended the workplace. There were examples in which employer and apprentice participants credited the trainer with maintaining the rate of progression through training when they would otherwise have struggled to keep track.

The trainer has been really important. He’s kept pushing us along. We are so busy that it’s hard for me to say oh, look you were supposed to have had this module done. If he wasn’t that on to it then we could have got lost in it. He’s kept us on track. He’s been wonderful. Pretty much every module we all sign off on it. Everything is done very formally, so it’s hard for something to go wrong. [Employer, Food trades/Hospitality, small, CBWP, workplace-based training, Brisbane]

There were also examples of employer and apprentice participants who were unhappy with their RTO as they had not seen or heard from the trainer as frequently as expected:

I haven’t seen the trainer for a few weeks so at the moment I’m not too satisfied with [RTO]. He’s normally here every fortnight, but I haven’t heard from him. [Employer, Automotive, small, CBWP, workplace-based training, Brisbane]

The trade school mode of delivery required limited involvement by employer participants in the RTO training and assessment. The training plan set out the frequency of attendance at trade school and there was an expectation that employers would sign off on competency attainment as it was displayed in the workplace. However, it was the experience of some apprentice participants in the research that competency attainment was not signed off regularly. Some of these apprentices had not regularly requested their employer sign off on competency attainment, and others indicated that their employer would not sign off on competency attainment when requested.

RTO training experiences of apprentice participants

For some participants in the research, the RTO training involved concentrated periods of learning as it was scheduled in ‘blocks’ of trade schooling. These participants would attend trade school for one or two weeks several times in each stage of the apprenticeship, or once in each stage for between four and eight weeks. Apprentices receiving training under these arrangements advanced through their apprenticeship as training for
units of competency were scheduled and delivered by the RTO. Other participants undertaking trade school training attended more frequently. These participants were consistently attending college one day per week or one day per fortnight for each stage of their apprenticeship. These apprentices would undertake their training for units of competency at their pace and did not have to wait for their RTO to schedule their training delivery.

Typically during busy periods for the workplace—for some apprentices this was months at a time—the apprentice participants were required to work rather than attend trade school, and their progress was slowed. All apprentice participants undertaking trade school training reported that they were paid for the time that they attended trade school.

Some apprentices in the research received their RTO training in their workplace. This mode of training was typically delivered one day per fortnight or one day per month—subject to the progress being made by the apprentice. The RTO trainer would attend the workplace to set and review coursework and provide training and greatly influenced the pace for training progression. Much of the coursework was completed by these apprentice participants outside of work hours.

Some carpentry apprentices in the research were undertaking their training though an online mode of delivery. In this mode, coursework was typically completed outside work hours when the apprentices chose to do the work, thus the apprentice effectively set their pace of training progression. It was unclear how these apprentices were paid for this time spent undertaking training as it was outside work hours.

For many apprentices in the research, the RTO would control the number of units of competency they could undertake at any one time. For example, some apprentices could enrol in up to three units of competency at a time. The RTO would also set the threshold number of units the apprentice would undertake in each stage of the apprenticeship. It was explained by some employer and apprentice participants that once the required training set by the RTO for each stage of the apprenticeship had been completed, agreement from all parties was required before the apprentice would commence (enrol in) units scheduled for the next stage of the apprenticeship. That is, begin training for the next stage of the apprenticeship ahead of the nominal duration of the previous stage. It was unclear from the understanding of apprentices in the research whether progression from one stage of training to the next was subject to sign-off from their employer (that they were competent in the workplace). This was chiefly because many of these apprentices were unsure what was required for them to progress from one stage to the next. However, it was generally explained by employer participants that sign-off of competency in the workplace was a requirement to progress to the next stage of training when their apprentice was completing training ahead of the nominal durations:

The 30 subjects that they do are broken up into four blocks and one block gets released each year to them to be attempted. For them to get any more released, they [the online training provider] have to talk to me and the apprentice. So, if they're in-line to have more released then we all have agree that, yes, they are ahead and they're getting the competencies at work as well and not just running through the quizzes [assessments]. The [RTO] says that these subjects are due to be completed in the next 12 months and that gives you that progression up to the next level. So if you finish these early you don't have to do any more until the next ones open up, or you can apply [to begin them earlier] ... But it really is based on that four years of training. [Employer, Building and Construction, small, CBWP, online training, Brisbane]

Most apprentices in the research explained that units of competency were delivered sequentially; however there was an example of an automotive apprentice participant in the research who had undertaken stage two units of competency in the first stage of training, which was problematic for tracking progression:
The online and workplace-based modes of training delivery were reported by some employers to provide flexibility for their workplace in terms of time away from the workplace for apprentices to undertake their training. They also described the facilitation of a ‘self-paced’ learning outcome for their apprentices. Similarly, regular attendance at trade school (e.g. one day per week) was the preferred method for the trade school delivery of training rather than block release as apprentices progressed through their coursework at their pace and employers released the apprentice to attend training on a day that the workplace was relatively quiet. There was a trade-off expressed by some participants in the research, who felt that the self-directed learning style required for the flexibility of delivery they received negatively affected the quality of skills acquired by apprentices. This was typically expressed by employer participants as a criticism of the training model. It was also a criticism expressed by some apprentices in the research who preferred a more structured, classroom style, mode of training.

4.3.2.3 Quality of training and opportunities to practise skills

There was a wide range of opinions about the quality of training received from RTOs among the apprentice participants in the research. It was felt among most apprentice participants that the quality of training received influenced how well and how quickly they acquired skills:

At [the former RTO] I did an engines course - a rebuild course - and it took two days to do the whole course. When I was at TAFE last, I did a module on workplace tools and equipment and that took four days. So, that’s twice the time to teach me about workshop tools than it took to teach me about how an engine works. [Apprentice, Automotive, CBWP, 21-25 years, wage level three, Brisbane]

There was also a wide-ranging experience among apprentice participants in terms of access to on-the-job training. For some apprentices, the RTO training did not relate to the duties they performed in the workplace and there were limited opportunities to apply their skills practically. Typically, these apprentices were expected to learn in the workplace by observation only. At the other end of the scale, there were apprentices receiving scheduled on-the-job training to complement the training received from the RTO.

There was a range of experiences among participants in terms of being exposed to different tasks and being able to practise skills in the workplace. This was the most common reason given for cancelling a training contract among the apprentice participants who had recommenced their apprenticeship. It was considered to be a critical component of the apprenticeship, even more so for the workplace-based and online modes of RTO training delivery, though it appeared that some RTOs had measures in place to ensure employers complied with requirements for training delivery in the workplace:

We formalise it by giving them the types of tasks that we want the student to undertake in the workplace. The employer and the student record when they actually get the time to practice and the employer validates those entries. We keep them on record as training records. Whether they go to trade school or not, they should be getting on-the-job training - that’s the employer’s responsibility. It has always been. Some employers will ask us “what am I supposed to teach them?” And we’ll say “here you go, this is what you’re supposed to teach them and you keep doing it until you say they’re competent, that they’re industry competent. [RTO, Food trades, Queensland]
4.3.2.3.4 Assessments of competency

The Australian Training Quality Framework (ATQF) requires RTOs to assess and report results for apprentices for each unit of competency in the individual training plan. The system in place is binary in that apprentices are either found to be ‘competent’ or ‘not yet competent’. When an apprentice participant was not assessed to be competent, they were sometimes required to undertake the training again, slowing their rate of progress. The training package for a particular qualification sets out the method for assessment and assessment materials. For example, the hairdressing training package contains assessment guidelines and competency standards with an endorsed framework for assessment of units of competency contained in the Hairdressing Training Package.603 The range of experiences shared by apprentice participants suggested that assessment requirements vary according to the practice of each RTO.

The typical model for training and assessment outlined by apprentices participants in the research involved beginning each unit with coursework (written exercises and activities) that were then assessed by the trainer. The assessments were usually written tests. Following assessments of knowledge and understanding of the theory through written form, apprentices were given practical demonstrations by the trainer and/or through video. The apprentice then had opportunities to practise their skills before being assessed on the practical demonstration of their skills.

Some apprentices in the research felt that their assessments were challenging, while others felt that they didn’t actually need to understand or acquire technical skills to be assessed by the RTO as competent. Typically the apprentices who received limited training and explained that the assessments were not particularly challenging, progressed through the RTO training relatively quickly, though reporting they could not confidently apply their ‘skills’ in the workplace. Other examples of this were where apprentice participants could not transfer their skills into another workplace when they recommenced their apprenticeship with a new employer:

I learned nothing during my time at the dealership compared to where I am now. [The former RTO] was not very thorough. They’d give a very brief description of what it is and then go yep, yep, competent, and they tick you off, when really, you’re not. I thought I was competent at the time because I understood it. But where I am now, the cars need a lot more repair work and there was a lot of stuff I hadn’t done. I do all my training through TAFE now and the teachers are really, really thorough and the prac [practical assessment] is difficult - you’ve got to know your stuff to get it right. Whereas with [the former RTO], you could just wing your way through. [Apprentice, Automotive, CBWP, 21-25 years, wage level three, Brisbane]

Apprentices in the research who were undertaking online training did not have regular assessments of their practical skills and explained that this was performed by their employer in the workplace. Typically they did not ‘perform’ for an assessment as other apprentices participants who undertook training in trade school or the workplace. Rather, the assessment performed by their employer was a judgment of their abilities on-the-job and they were not aware of when or how their employer was assessing their skills:

I don’t really discuss [assessments] with my boss. I’ve got approximate dates when I should complete units but I’m not too stressed about it. When I go fourth year I’ll probably be really on top of when I’m getting signed-off. I can do the course [work] online before I do it on site. I can get them to sign it off when I have done it theoretically and practically. But my boss will look up what I’ve done online and speak to the foreman so we don’t need to discuss it. [Apprentice, Building and Construction, CBWP, 21-25 years, wage level three, Brisbane]

For most apprentices in the research, the final stage of the assessment for each unit of competency was sign-off by their employer that they were competent in the workplace. For the workplace-based mode of training

delivery, the employer would regularly communicate with the RTO and sign off on competency attainment with the trainer. For the online method, employers would review the apprentices’ progress at their discretion and communicate with the RTO on a regular basis. For the trade school mode of training delivery, the apprentice was often required to prompt their employer to sign off because the RTO did not, in some cases, communicate directly and/or regularly with the employer. The trade school mode of training delivery in which apprentice participants would undertake ‘blocks’ of training were seen to be the least conducive to flow on to competency attainment ahead of nominal durations as RTO assessments were conducted separately to employer assessments of competency.

4.3.2.3.4 Recognition of prior learning

Key findings

Some apprentice participants in the research had experience of RPL, though many felt they did not understand how this form of competency-based progression flowed on to inform wage-setting. Employer participants generally took the advice of the RTO to determine how the RPL affected the stage of training of the apprentice.

Transfer of course credit from Certificate III training undertaken with a former RTO had been accessed by most apprentices in the research who had recommenced their apprenticeship. There were examples in which credit transfer was not available and the apprentice had to undertake a process of assessment through RPL or undertake training again through the new RTO.

Though receipt of RPL is an ongoing entitlement for apprentices receiving training through government-funded RTOs in Queensland, some participants explained that they had undertaken training in competencies they could perform in the workplace. No participants in the research had accessed this form of competency-based progression throughout their training.

In some sectors, the pre-apprenticeship training course credits would come off the end of the apprenticeship rather than at the beginning, which had implications for wage-setting upon commencement of the apprenticeship. When an apprentice has not completed all of the requirements to attain an AQF Certificate II and received a statement of attainment for this, the credits cannot be applied for wage-setting purposes until all requirements have been met. This can be sequenced in the training plan to be covered in later stages of training.

Recognition of prior learning

RPL was another function of the training system that many employer and apprentice participants in the research were unable to explain in detail. Discussions about RPL typically arose in the context of wage setting at the commencement of employment. It was explained by employer and apprentice participants that when an apprentice commenced a training contract, or recommenced a training contract, they could go through a process to recognise prior learning and be credited for existing skills gained through prior workplace experience or through other vocational training. Accessing RPL has implications for wage-level determination upon commencement of employment as well as wage progression, particularly if prior learning is not recognised.

Course credit transfers were the most commonly discussed method of RPL among apprentice participants in the research subject to CBWP and time-served wage progression arrangements. Course credit was considered to be a relatively straightforward process undertaken by the RTO in which an apprentice could provide ‘evidence’ of the attainment of units of competency in the form of a statement of attainment issued by their former RTO. Some apprentice participants in the research shared their experiences of receiving credit for training undertaken...
with a different RTO for their Certificate III qualification. There were also examples of participants receiving credit for vocational training undertaken in a different trade where units of competency were transferable. Credit was explained by some apprentice participants in terms of the number of units of competency in their training plan, while others under time-served wage progression arrangements referred to time credits in their training:

When I left my old job the training institute sent me a certificate that had all of the [units] I had completed on it. I just handed that over to TAFE and they crossed them off. [Apprentice, Automotive, CBWP, 21-25 years, wage level three, Brisbane]

When I went into school I had already done occupational health and safety [units], I had done a whole heap of retail [units], and a whole heap of computer [units] so I got marked-off for all of those before I even started. If you've done nothing and you have no knowledge then you start from scratch, but I worked in retail for two years so I had the selling products and services skills. The computer system they use at school is the same as the one we have in the salon which I had already been using. Also, I did commercial cookery and the occupational health and safety [units] are exactly the same so that was transferable. I got credit for the schooling part of it, so that was about four months off the schooling. [Apprentice, Hairdressing, 21-25 years, time-served wage progression, wage level two, Melbourne]

There were also experiences shared by apprentice participants in which they had to undertake training for units of competency they had attained through another RTO for the same vocational training. It was difficult to determine why they had not received course credits as they did not understand why the credit was not transferred. One participant explained that when he recommenced his training with a new RTO, some units of competency delivered by the former RTO were not considered to ‘standard’ and had to be undertaken again. The apprentice participants were reportedly happy to do the coursework again and were not concerned about how undertaking training in units of competency previously attained may slow their progress through training and their access to accelerated wage progressions:

It [my apprenticeship] is taking a lot longer than I expected. They said I would get credit transfers for a lot of the modules [covered in a school-based apprenticeship], but I still had to re-do them because it was part of the course. I've done the [occupational] health and safety [units] three times now ... I was told they needed it for their records because their modules could be different to the modules I've done. So I've done three different modules but it's all the same questions. It's the same, but worded a bit different ... I said I've already done this twice already and they said yeah, but we just need it for our records to make sure that I do know what I'm doing. [Apprentice, Food trades/Hospitality, CBWP, 18-20 years, wage level two, Brisbane]

I got RPL for most of the training I had done but I had to re-do a couple of modules that I'd done through [the former RTO] because TAFE knew it wasn’t thorough enough. It’s pretty common knowledge in the industry that [former RTO] doesn’t do a very good job of training. [Apprentice, Automotive, CBWP, 21-25 years, wage level three, Brisbane]

As noted in section 4.3.2.1.1, some employer participants in the research had used RPL to determine wages upon commencement of training. Most participants indicated that they were happy to apply course credits for the purposes of wage setting. However, all employers trialled their apprentices or waited until they were satisfied that their apprentice had demonstrated their competency in the workplace before paying the higher wage level:

The credits were not applied initially, but once demonstrated the wages were increased. It’s easy to say you can do something, but action is real. [Employer, Building and Construction, small, CBWP, trade school training, Queensland]

One RTO participant in Queensland explained the challenges they faced with the credit transfer process. This RTO was under the ‘User Choice’ program in which funding is received from government to deliver training. Applying course credits for apprentices who were unable to provide ‘evidence’ that they had attained units of
competency was very difficult. As a business providing a service for a fee (to government), they were reliant on the paper-based system in which apprentices had to provide a statement of attainment to access course credits. The paper-based system was considered by this RTO participant to be an unreliable method for determining prior attainment of units of competency:

In Queensland we have a program called DET connect so if a student is registered to you, you can look up their training history if they have been under a training contract before. But, if they’ve done a pre-vocational course or if they’ve done a certificate, say Certificate II in hospitality, that won’t come through because they weren’t under a contract. So the apprentice may have a statement of attainment that should be recognised ... but if we don’t have any ‘evidence’ of that the credit can’t be transferred. This paper-based system of expecting students to remember every certificate they’ve ever got and keeping them safe is a problem. [RTO, Food trades and Automotive, Queensland]

In other examples where apprentices had acquired competency through experience in the workplace, or did not have a statement of attainment that would facilitate credit transfers, a process of RPL was undertaken. This process involved an RTO assessment of practical skills and knowledge to determine attainment of competency. Similar to RTO assessments following training, this process required sign-off by an employer that the apprentice was competent in the workplace (to the industry standard). In one example, the apprentice participant went back to a former employer to sign off on competency attainment because the units of competency he was seeking credit for were not performed in the workplace he was in:

I was also able to go back to chefs I had previously worked for and say do you think I’m competent at this and get those [units of competency] signed off. [Apprentice, Food trades/Hospitality, CBWP, 21-25 years, wage level four, Brisbane]

Some employer and apprentice participants had explained that they had enquired about RPL to recognise learning through prior experience in the industry or workplace, but had decided it was easier or more appropriate for the training to be undertaken:

We looked into recognition of prior learning but it just worked out to be easier if I just did training through TAFE. Personally I felt it was good to just do it anyway to make sure I was on top of everything I was supposed to be. [Apprentice, Building and Construction, CBWP, 21-25 years, wage level three, Brisbane]

RPL can also be granted throughout the duration of the apprenticeship if an apprentice and the employer agree that the apprentice is competent in the workplace and does not require training. For example, it could be accessed when training and experience on the job had been delivered prior to the RTO training. However, no participants in the research had accessed this form of RPL or seemed to be aware that it was available to them.

4.3.3 Views on wage progression

4.3.3.1 Experiences of employer participants

Key findings

Although the training system is separate legislatively from employment and wage-setting matters, employer participants subject to CBWP arrangements linked their views on wages progression with their experiences of the training system and training progression. That is, when an employer was satisfied with the training and assessment provided by the RTO they were more likely to support accelerated wage progression.

The responses of participants in the research illustrated the influence of the RTO on training delivery outcomes for apprentices. This included the provision of information by RTOs about nominal and expected durations,
options for delivery and scheduling of training, individualising the training plan to deliver competencies that suit the job outcome sought by the apprentice and/or most relevant competencies for the workplace, and sequencing units of competency to complement on-the-job training provisions. Access to this information and these services shaped training progression outcomes and access to accelerated CBWP.

Most employer participants felt that linking apprentice wage progression to productivity gains was an appropriate method of wage calculation. However, some participants considered the training system measures of competency attainment in which an apprentice could perform a skill or task to be quite different to workplace-based assessments of competency in the form of productivity gains. The discretion to sign-off on competency attainment in the workplace according to productivity levels was considered to be an important element of the assessment model that informed CBWP processes.

Views on wage progression among employer participants in the research were closely linked to views on the performance of their apprentice in the workplace and their value to the business. The employer participants who could see commensurate increases in productivity (typically discussed in terms of revenue generation) expressed a greater level of support for accelerated wage outcomes than employers who did not see productivity gains.

The employer participants who were consistently setting wages according to competency attainment measures typically supported accelerated wage progression outcomes as the attainment of competency, and associated productivity gains in the workplace had prompted the increase in wage level.

The employer participants in the research who were not setting wages with any reference to competency attainment (i.e. following a time-served model of wage level progression) tended to evaluate productivity gains following a wage level increase. Some of these employer participants who were not satisfied with the productivity outcomes did not support accelerated wage progression.

**Employer participant views of wage progression**

Employer participant views of accelerated wage progression were directly linked to the productivity and skills development of their apprentices. Many employers in the research felt that this was greatly influenced by the training received through the RTO. As a result, it is difficult to examine employer views of accelerated CBWP in isolation from outcomes of training system operations.

Some employer participants had been dissatisfied with elements of the training system, which they felt were adversely affecting the competency of their apprentices. For example, the competency-based progression model of training that informs the CBWP model has required a flexible mode of training delivery to allow apprentices to progress at their own pace. Some employers in the research felt that the self-directed learning method that places the responsibility on apprentices to progress through their training with limited supervision and assistance from trainers had led a lower quality of skills attainment and placed more pressure on them to deliver training on the job.

Some employers in the research had concerns with the competency-based progression model because their apprentices were very good at the theoretical side of the training delivered by the RTO, but in the employers, view their knowledge and understanding of the theory did not translate into practical application of skill demonstrated in the workplace. In another example, the apprentice was assessed as competent in fundamentals and could execute certain skills (competencies) but in the employer’s view could not bring it all together in the workplace to deliver the productivity expected, or did not have the confidence to undertake tasks without
assistance or supervision.

Employer participant support for accelerated wage progression was largely shaped by their evaluations of value for money and whether an increase in wage costs equated to increased productivity. Some employer participants considered apprentices at each wage level to be valuable members of their workforce, while other employers considered their apprentices to be a cost to the business until they were able to competently perform duties that would directly generate revenue.

Some employers in the research measured the value of an apprentice employee in terms of how competent and productive they were at each wage level. Other employers explained that they measured the value of an apprentice by considering the cost of employment across the nominal term of the training contract. For example, their support for accelerated wage progression at wage levels three and four was related to getting a commensurate return on the investment they had made in the early stages of the apprenticeship when the apprentice did not generate revenue for the business. Some employer participants also spoke of apprentices in the early stages of the apprenticeship as a liability to the business in terms of material wastage and damage to equipment, though most considered the time spent providing training on-the-job training and/or time spent attending trade school as the main investments in the apprentice.

The employer participants in the research who were not setting wages with any reference to competency attainment (i.e. following a time-served model of wage level progression) tended to evaluate productivity gains following a wage-level increase. Some of these employer participants were dissatisfied with the productivity outcomes and hence, dissatisfied with wage progression at the conclusion of the nominal progression period. For some employer participants, their dissatisfaction had led them to become more engaged in the training and skills development of their apprentices in order to achieve a commensurate level of productivity gain for the wage cost increase.

Strength of business performance also influenced support for accelerated wage progression. Employer participants who had capacity to pay higher wages and/or capacity to absorb increased wage costs without immediate productivity gains were less critical in their evaluations of wage-accelerated progression. Also, employer participants who had the business performance and growth to continually hire first-year apprentices as their apprentices progressed according to competency attainment were more supportive of the CBWP model and satisfied with accelerated wage progression.

4.3.3.1 How linking wage progression to training progression (attainment of competencies) influences views of apprenticeship employment

Some participants in the research explained that they would follow the instructions for wage setting contained in the award to set wages for their apprentices and supported the award model of wage setting, be it a time-served or a CBWP model. Some employer participants had business structures that could support progression of their apprentices at different rates according to their competency attainment. Other employer participants used the CBWP model within the margins of their business model with a view to recovering the investment made in the apprentice across the nominal term of the training contract.

Most employers in the research proposed that linking apprentice wage progression to productivity gains was a fair and appropriate method of wage setting. This was discussed in the context of competency attainment measures derived from RTO training, and also, in the context of the requirement to increase wages for apprentices according to the expiration of time, regardless of whether their productivity had increased. Some
employers in the research felt that wage-level progressions should be competency (productivity) based and were reluctantly increasing wages each year when their apprentices’ productivity had not increased at a rate with which they were satisfied. This was also revealed in discussions about wage-setting determinants.

Most employers in the research demonstrated a reluctance to pay apprentices any more than their perceived ‘worth’, which was largely considered to be the proportion of the relevant minimum award wage and nothing over that.

Wage progression arrangements were said to influence the views of employer participants about apprentice employment and continued employment of apprentices. Some employer participants subject to CBWP arrangements explained that they had reconsidered their use of apprentices in the business or adapted their apprentice employment behaviours as a result of dissatisfaction with wage costs; for example, favouring school-based apprentices over full-time apprentices. Negative views of accelerated wage outcomes were most apparent among employer participants who felt they were not experiencing commensurate productivity gains for increases in wage costs. For some participants this was considered a result of reducing the nominal term of the apprenticeship (in sectors where the nominal term of the training contract was three years) rather than the operation of the CBWP model.

Employer participants’ evaluation of the quality of assessments, their involvement in the assessment process and communication with the RTO were also important factors that influenced satisfaction with training that flowed-on to shape views of wage setting.

Employer participants who were satisfied with the training provided to their apprentice had typically made choices, including:

- choosing the RTO (i.e. aware of RTOs that delivered the course);
- choosing the mode of delivery (i.e. aware of options for mode of delivery when choosing RTO);
- setting the schedule of training (i.e. aware of scheduling options for training delivery in ‘blocks’ or delivered on an ongoing basis when selecting a RTO);
- setting the sequencing of the units of competency in their apprentices’ training plan (i.e. aware that training can be delivered in a sequence that best meets the functions of their workplace); and
- choosing the elective units of competency contained in their apprentices’ training plan (i.e. aware of elective units that comprise the training plan).

Satisfaction with outcomes of RTO training greatly influenced employer participant views of the apprenticeship employment arrangement. As outcomes from training flowed on to influence outcomes from wage progression, it was considered as important, or more important, than wage issues in employer decisions to have apprentice employees in the workplace.

Employer experiences of trailing and/or employing workers who had attained their qualification through full-time study without workplace-based experience shaped their attitudes toward the workplace-based form of training. That is, they considered apprenticeship employment to be significantly better value to the business than hiring a qualified worker who did not have workplace experience.
4.3.3.2 Views of apprentice participants

Key findings

Apprentice participant views on wage progression were shaped by their apprentice wage rate, and also by their training and other employment conditions. It was difficult to delineate the relative influence of wage progression arrangements and rate of progression in establishing their views on wage progression.

Attributing views on wage progression to the particular model of wage progression (that is, proportional attainment of competencies) was further complicated as most apprentice participants were unsure how this process operated. Training and wage progression was explained to most apprentice participants by their employer and RTO in terms of timeframes (nominal durations) rather than attaining a proportion of competencies. Thus, it was difficult to differentiate their views from that of apprentice participants subject to time-served arrangements as most participants expressed their views about wage progression in terms of timeframes.

Most apprentices in the research considered their rate of progression through their training to be within their control, but that their wage progression was controlled by their employer. Apprentices who were progressing ahead of the nominal durations were typically pleased with their rate of progression. However, these participants considered their accelerated progression more of a bonus for their achievements than a condition of apprentice employment.

Having limited control over wage progression was a point of dissatisfaction for some apprentices in the research. These participants felt that their employer was deliberately holding them back in their training progression to avoid paying higher wages. Similarly, some of the apprentice participants in the research who had cancelled a training contract because their former employer had not provided training or opportunities to practise their skills felt that their former employer was deliberately holding them back in their training and development to avoid paying higher wages.

4.3.3.2.1 Views of apprentice wage progression

Many apprentice participants subject to CBWP arrangements and apprentice participants subject to time-served wage progression alike considered their rate of progression through their training to be within their control, but that their wage progression was determined by their employer.

Views of CBWP

The apprentice participants subject to CBWP arrangements felt that their motivation to complete their coursework ahead of the nominal durations influenced their rate of progression through training; however their access to wage-level progression upon completion of their training was at the discretion of their employer.

Some apprentice participants in the research subject to CBWP reportedly considered that they had a sound understanding of how their apprentice wage was adjusted. However, few apprentice participants subject to CBWP arrangements understood precisely how their training progression could influence their wage progression.

Few apprentice participants considered CBWP to be the primary method of advancement through the wage levels of their apprenticeship or considered CBWP to be a minimum wage entitlement. Mirroring the views of the employer participants in the research, many apprentice participants consistently spoke about wage progression in terms of timeframes, most often the nominal durations of each stage of training or annual wage increases.
Having limited control over wage progression was a point of dissatisfaction for some apprentices in the research who were subject to CBWP. These apprentice participants were reportedly dissatisfied with their wage progression because they felt that their employer (or former employer) was deliberately holding them back in their training progression to avoid paying higher wages, or ‘withholding’ wage-level progressions until time had been served when they felt they were ‘competent’:

 Though I have finished all my theory TAFE work earlier and practical competencies for coming years of the apprenticeship, I am made to wait until a year is passed before moving up in the apprenticeship. I feel I am achieving competency quicker and am getting held back by my employer. I think that there should be a better system of how an apprentice moves up in stages, rather than coming down to the employer’s choice where their financial benefits can be put ahead of the apprentice’s development. [Apprentice, Automotive, CBWP, 18-20 years, wage level three, Brisbane]

Other participants subject to CBWP who were not progressing through wage levels according to their attainment of competency in training did not raise this in discussions as a point of dissatisfaction. When prompted in discussions, it became evident that they did not monitor their proportional attainment of competencies, and did not know what had or would prompt a wage-level increase ahead of time. Furthermore, progression points were typically explained to apprentices as timeframes rather than a proportion of units of competency as stated in the industrial instruments.

Few apprentice participants indicated that they had sought information from their employer or other sources to understand how their apprentice wage was adjusted or how their training progression affected their wages. There were a few examples of apprentice participants demonstrating high understanding of their training and wage progression:

 I ask my trade school teacher or field officer what percentage of my theory I have completed. If I’ve done enough to progress [to the next wage level] I ask for my wage to be increased. [Apprentice, Engineering trade, CBWP, 21-25 years, wage level four, Melbourne]

Many apprentice participants in the research were reportedly motivated to progress through their training to be eligible for tradesperson wage rates ahead of the nominal term of their training contract. The opportunity to complete early motivated apprentice participants subject to time-served arrangements who (incorrectly) believed they may be able to access this form of CBWP in a way similar to apprentice participants who were progressing through each wage level according to competency measures.

Aspirations to complete the apprenticeship early were most apparent among apprentice participants in the engineering trades, and some in the automotive and building and construction trades who expected to receive an overaward pay rate upon completion of their training contact.

Though most apprentices in the research were keen to complete their apprenticeship ahead of the nominal term, properly acquiring skills in the workplace during their time as an apprentice was considered very important:

 I don’t want the embarrassment of saying I’m qualified and then going into a workplace and not having any idea what I’m doing. As apprentices, we’re pretty protected and I guess I’m concerned about holding down a job once I’m qualified. If I got qualified at a dealership and then went somewhere else, I wouldn’t have apprenticeship boards to protect me. They would just let me go straight away. [Apprentice, Automotive, CBWP, 21-25 years, wage level three, Brisbane]

 I believe as long as you are fully competent, [early completion] is ok. On the other hand with some of the apprenticeships that are now three and not four years, I believe you need all that time to become competent and confident. [Apprentice, Hairdressing, CBWP, 21-25 years, wage level two, Queensland]
As much as I'd like to finish early, I don't want to risk it. There's so much more to learn not just with my trade but every trade and everyone can agree there's always something new popping up to learn. It's a non-stop thing. The closer I get to finishing my apprenticeship the more I look back to first year and think of what I have learned. [Apprentice, Food trade/Hospitality, CBWP, 18-20 years, wage level three, Brisbane]

Views of time-served wage progression

Similar to the apprentice participants subject to CBWP, the apprentice participants subject to time-served wage progression arrangements had limited understanding of how their apprentice wage was adjusted. The apprentice participants could recall the date that they commenced their apprenticeship and explained that their wage would be increased each year. Some participants indicated that they would prefer that their wage progression be determined by the progress they made in training so that they could access wage increases ahead of the 12-month timeframes. Some apprentice participants explained that it would be a welcome reward for completing their training ahead of the nominal durations:

I would say time [served] because you have no pressure, but then again I'm already up to my second year at TAFE so I'd be earning more money. I think once you complete your school work at TAFE for your first year you should be put on second year wages, but if you're not ahead then you still should be able to receive your wage increase at your second year point unless of course you're ridiculously bad at your chosen trade. [Apprentice, Building and Construction, time-served wage progression, 18-20 years, wage level one, Melbourne]

It's better to have the wage increase through the progress of your training otherwise there is no advantage in finishing [units of competency] earlier. [Apprentice, Automotive, time-served wage progression, 18-20 years, wage level two, Melbourne]

Most of the apprentice participants subject to time-served wage progression arrangements were keen to complete their training ahead of the nominal durations for each stage of the apprenticeship. While they would receive higher wages only in accordance with the time provisions, early completion of the entire apprenticeship would mean that they would cease being paid apprentice wages and commence tradesperson wages earlier. Similar to apprentice participants subject to CBWP arrangements, having the opportunity to complete their apprenticeship ahead of the nominal term was very motivating for these participants. With the exception of plumbing trade apprentice participants who could not complete their apprenticeship ahead of the nominal term and were required to undertake further training following their completion of the AQF Certificate III qualification, apprentice participants subject to time-served wage progression hoped and/or expected to complete their apprenticeship and access tradesperson's wage rates prior to the nominal term of their training contract.

4.3.3.2.2 How linking wage progression to training progression (attainment of competencies) influenced views of apprenticeship

Most apprentice participants in the research were happy with their apprenticeship employment. The few apprentice participants in the research who were considering cancelling their training contract with their current employer explained that they were learning more in their RTO training than they were on-the-job and they were made to perform repetitive tasks in the workplace. These apprentice participants had not considered their method of wage progression (time-served versus competency based) to be a primary concern in their decision-making:

At the moment I find that I'm learning heaps more at TAFE, which is only one day a week, than at work. I'm working for a really good company and a great boss, but the work is very repetitive - like a production line. I don't feel at all like I'm learning. So opportunity wise, there's only so much I can learn here. For example, we did a welding unit at TAFE last term and that was five weeks ago, but I haven't touched a welder at work. [Apprentice, Engineering trade, CBWP, 18-20 years, wage level two, Melbourne]
Accelerated wage progression was considered by apprentice participants to be further recognition for their achievements in training. Accelerated wage progression served as positive re-enforcement that they were acquiring the skills they needed to increase their employment prospects in the future by becoming valuable and productive workers:

- Being competency-based and up to me, if I didn’t finish early I’d feel like I’ve let myself down and haven’t strived for the best. My level of knowledge also influences my satisfaction. [Apprentice, Engineering trade, CBWP, 21-25 years, wage level four, Melbourne]

- I can carry a bit more responsibility. I take more pride in doing jobs by myself or working on my own thing. [Apprentice, Building and Construction, time-served wage progression, 18-20 years, wage level one, Melbourne]

Apprentices in the research—particularly those in the latter stages of their apprenticeship who were receiving less training and undertaking tasks that were generating revenue for the business—considered accelerated wage progression to be an important reward for their increased productivity/performance.

4.3.4 Other issues

4.3.4.1 Recommencements

The research included several apprentices who had re-commenced a training contract and employers who had hired an apprentice part-way through their apprenticeship. The process of cancelling a training contract and securing another apprenticeship employment arrangement highlighted the circumstances of out-of-trade apprentice participants who had no continuity of training or access to support and advice. Some apprentice participants reportedly felt they could have ‘fallen though the cracks’ like other apprentices they knew who had cancelled their training contract. Access to ongoing support and advice and continuity of training reportedly facilitated their re-commencement.

Apprentice participants who had terminated a training contract reportedly did so because they were not receiving training on the job and/or were not provided opportunities by their employer to undertake training provided by an RTO. Some of these apprentices felt they were wrongly employed as apprentices and being used as cheaper labour. Employers also expressed concern about requirements to lodge training contracts during probationary periods. As apprentices typically do not access training during the probationary period of employment, business can employ a worker on apprentice wages and then cease employment shortly before the probationary period is due to end.

4.3.4.2 Course credits

It was highlighted through the research that, while all training assessment data is online and accessible to STAs, RTOs cannot access this information for the purpose of transferring course credits through RPL. RTOs rely on students to provide ‘evidence’ of vocational training through statements of attainment issued by RTOs. Some RTOs are delayed or unable to transfer course credits to apprentices who cannot provide ‘evidence’ of their vocational training. For example, an apprentice may lose their papers or the RTO may be withholding their statement of attainment until they pay their fees (RTOs are required to provide a statement of attainment regardless of fee payments but this may not be strictly enforced).
4.3.5 Conclusions from findings of qualitative research into competency-based wage progression

The enterprise case studies and contributions from individual participants highlighted that the operation of CBWP varied according to the level of cooperation and communication between the employer, apprentice and the RTO. The use of competency attainment measures by employer participants subject to CBWP to determine apprentice wage progression was greatly influenced by the individual employer participant’s assessments of performance in the workplace. Employers in the research subject to CBWP and time-served wage progression alike reported that measures of performance and productivity in the workplace were largely shaped by their assessments of efficiency and accuracy, confidence, and revenue generation (particularly in the latter stages of the apprenticeship).

Some divergent views existed among employer and apprentice participants subject to CBWP arrangements about linking wage progression to competency attainment measures throughout the apprenticeship when ‘competency’ had been attained through training system measures assessed by the RTO but not to the ‘industry standard’ as assessed by the employer.

Views about accelerated progression through wage levels were influenced by whether the workplace had experienced commensurate gains in performance and productivity for the increased wage costs. For employers using competency attainment measures to set apprentice wages (and facilitating accelerated wage progression), the increase in wage cost typically was viewed by employers as reflecting increased performance/productivity in the workplace. For employers who were not setting wages according to competency attainment measures, the interaction between productivity and wage cost increases varied as wage cost increases would sometimes prompt an assessment of performance rather than performance measures determining wage level increases.

Views among apprentice participants of wage progression were difficult to differentiate from views of their apprentice employment more generally. Apprentice participants who had progressed through stages of training ahead of nominal durations—and also received commensurate wage increases—(as a result of RPL or accelerated progression throughout their apprenticeship) were found to favour the option of accelerated wage progression. Other apprentice participants felt that employer discretion in the sign-off of competencies and control over the timing of accelerated wage progression did not reflect their actual level of competence.
Part 2—Trainee minimum wages

5 Trainee minimum wages in the national system

Despite the current Australian Government definition of an ‘Australian Apprentice’, the distinction between a ‘traditional’ apprentice (i.e., those in a trades-based occupation) and a trainee continues to be reflected in wage setting. This chapter gives an overview of the wage-setting arrangements for trainees in the national system since the inception of traineeships in 1985 to their current regulation under the Fair Work Act 2009 (Cth) (FW Act) and state and territory legislation.

5.1 History and development of trainee wages in the national system

Since the mid 1990s until the commencement of the modern awards system on 1 January 2010, wage structures for the majority of trainees in the federal (now national) system were provided for in the National Training Wage Award 2000 (NTW Award 2000) or its predecessors. The NTW Award 2000 is a multi-industry award which was called up by the relevant award when access to trainee wage rates was required. The NTW Award 2000 was required to be read in conjunction with the relevant industry award as trainees were entitled to all other conditions of the relevant industry award not contained in the NTW Award 2000. Wages in the NTW Award 2000 were based on the fundamental concept that the trainee was paid for work and training hours, but the weekly wage was discounted to account for time spent at approved training. During the award modernisation process, there was ‘general agreement that the NTW Award 2000 required redrafting’ aimed at ‘modernis[ing] provisions.’ The Commission was also in ‘favour of one, common national training wage schedule.’ The Commission eventually included the re-drafted NTW as a schedule to each relevant modern award.

5.1.1 Trainees and wage-setting before the National Training Wage Award

The origins of the traineeship system arise from the recommendations in the 1985 Report of the Committee of Inquiry into Labour Market Programs chaired by Peter Kirby (the Kirby Report). The report was released following an inquiry in 1984 which was conducted in order to examine and recommend improvements to the Australian Government’s labour market programs and also address the rising level of youth unemployment.

The subsequent report recommended establishing a system of traineeships, combining education, training and work to assist young people to gain a ‘foothold in the workforce’. Acting on the recommendation of the Kirby Report, traineeships were introduced by the Commonwealth, states and territories into the labour market in August 1985 through the ATS. Traineeships under the ATS were a combination of on and off-the-job training, generally over a 12-month period with a minimum of 13 weeks off-the-job training. They were to be targeted at ‘school-age’ workers up to the age of 19, with time taken for training offset by a trainee receiving a discounted wage, typically a percentage of the specified minimum wage.

604 National Training Wage Award 2000 (AP790899CAN) [Fed].
605 AIRC, Establishment of National Training Wage Award, Dec 1596/94 M [Print LS188 (12 September 1994)].
606 Kirby P, 1985, Report of the Committee of Inquiry into Labour Market Programs, (Chairman Mr P Kirby), AGPS, Canberra, p. 117.
608 AIRC, Award Modernisation Statement, [2008] AIRCFB 345 (3 April 2009), para. 33.
611 Kirby P, 1985, Report of the Committee of Inquiry into Labour Market Programs, (Chairman Mr P Kirby), AGPS, Canberra.
wage.616 During that era, traineeships were intended to fill the gap that existed between the short-term unrecognised training available within labour market programs and the longer-term recognised training required of apprenticeships.617 In addition, traineeships were promoted as ‘quality options’ for jobs in service industries, including retail and hospitality.618

The major obstacle for the introduction of the ATS at that time, however, was ensuring that wage-setting arrangements could facilitate the ATS arrangements proposed. At this time, the ATS could only be implemented in a particular occupation if the relevant state or federal award was varied or an industrial agreement was made to include trainee wages.619

Career Start Traineeships developed from the ATS in 1992, alongside the development of the Australian Vocational Training System (AVTS).620 The AVTS was created to ‘develop a more skilled workforce [and it] also sought to integrate apprenticeships and traineeships in a common framework’.621 The AVTS however, was described by Schofield as being not ‘clearly understood or accepted in the VET (Vocational Education and Training) system or industry’.622

5.1.2 Creation of the National Training Wage Award 1994

In May 1994, the Australian Government handed down a White Paper on Employment and Growth, titled Working Nation624 (the Working Nation Paper). The overriding objective of the Working Nation Paper was ‘to provide a comprehensive program to boost jobs growth, increase skill formation in the workforce and ensure the long-term unemployed are not left behind during the economic recovery’.625 Among its recommendations, it discussed the importance of industry support and a training wage ‘to assist industry by streamlining arrangements for trainees’.626 The report stated:

A training wage will apply where employers provide recognised training. This will also replace the multiple industry specific rates which currently apply to traineeships. Trainees in new and emerging industries and in small business will have ready access to the training wage rates. Work based training, therefore, will be able to start more quickly in these new areas and to expand across the whole workforce, increasing the supply of training places.627

Following the recommendations in this report, in May and June 1994, the Automotive, Food, Metals and Engineering Union, the Metal Trades Industry Association of Australia, the Australian Wool Selling Brokers Employers Federation, the Australian Hotels Association and the Victorian Employers’ Chamber of Commerce and Industry lodged a dispute with the Commission relating to the establishment of the NTW contemplated in the Working Nation Paper.628

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628 AIRC, Establishment of National Training Wage Award, Dec 1596/94 M [Print L5188 (12 September 1994)], para. 3.
Parties to the dispute proposed the creation of one national award that would have as broad an application as possible. To facilitate this broad coverage (due to the limitations posed at that time by the Conciliation and Arbitration power in the Australian Constitution), the ACTU agreed with its affiliates to serve a log of claims on all then registered employer affiliates to provide the Commission with a jurisdictional basis to make an award with broad federal coverage. The Commission subsequently created the National Training Wage Interim Award 1994 in September 1994. In handing down its decision to create the award, the Commission stated that:

The new system of training wages to be prescribed by the award forms an integral part of the “Working Nation” strategy and is one that has broad tripartite support.

The Commission is satisfied that the proposed award accords with its wage fixing principles and the objects of the Act and accepts the agreed position of the parties that an award of this kind that facilitates the establishment of a system of traineeships is in the public interest. The system of training wages established by the award is intended to set a national standard to be applied under the terms of any of the awards of the Commission.

Trainees in the states and territories (that did not fall under the coverage of the NTW Award 2000) also provided coverage by state training wage awards, as well as industry-specific awards and agreements, some of which adopted a similar approach to the NTW Award 2000 by establishing orders or awards that had broad coverage. Others retained an award-by-award approach.

5.1.3 Variations to the National Training Wage Award (1994 to 2001)

The NTW Award 1994 underwent variations after 1994 which included:

- An amendment in 1997 by the Commission to reflect an agreement reached between the ACTU, ACCI and the Australian Government, which inserted wage structures from the ‘New Apprenticeships’ scheme, which introduced part-time traineeships and school-based traineeships.

- An amendment in 1999 to provide an option for school-based trainees to take a 20 per cent additional payment in lieu of sick leave, annual leave, personal leave and public holidays (by agreement) and to simplify the part-time traineeship wage arrangement by providing a specific hourly rate, based on a 38-hour week. This applied when training was either fully on the job or when 20 per cent of time was spent in training.

- A consolidation of the award on 17 August 2000 as part of the Award Simplification process to form the NTW Award 2000 (see Chapter 7 for further discussion on this award).

- An amendment in 2001 to the list of traineeship packages in the award was amended to include certificate III and IV traineeships. New wage arrangements were also included for both juniors and adults undertaking a Certificate IV traineeship.
5.1.4 Traineeship take-up pursuant to the National Training Wage

Between 1995 and 2002 the rate of traineeship commencements rose at an annual rate of 46 per cent. According to Cully, this increased take-up of traineeships arose as a result of four policy changes from the mid 1990s. These changes included introducing the NTW Award 2000, removing age restrictions that limited traineeships to younger workers, allowing existing workers to add a contract of training to their contract of employment, and changing the structure of the Commonwealth incentive payments provided to employers for the hiring and training of trainees.

Cully has argued that his findings indicate that ‘traineeships are best conceived of as a labour market program than a skills program and, as such, are more likely to be socially advantageous if they are explicitly orientated to this end.’

Data analysis in Chapter 6 shows that from 1999–2009 the uptake of traineeships increased. Further analysis of the demographics of traineeships from 1999–2009 is included later in this paper in Chapter 6.

5.1.5 The Australian Fair Pay Commission and the National Training Wage Award 2000

As mentioned earlier, from 2006 to 2009, the Australian Fair Pay Commission (AFPC) was empowered under the WR Act to set and adjust wages, including for preserved and new APCSs as well as setting a special Federal Minimum Wage to cover employees to whom training arrangements applied which could be set as a benchmark for these types of wages in APCSs.

As a result of the amendments in the Work Choices Act, the minimum wages in the NTW Award 2000 were notionally removed from the award and preserved in an APCS on 27 March 2006. The other terms and conditions of the NTW Award 2000 were preserved as a pre-reform federal award. The AFPC therefore had jurisdiction to consider and adjust this preserved APCS from this time.

In its first wage-setting decision in 2006, the AFPC decided that trainee basic periodic rates of pay in preserved APCSs would be adjusted to maintain the relativities previously provided for in the awards from which the APCSs were derived. The AFPC decided that this would be achieved by using the method described in the application to vary the NTW Award 2000 for the 2003 Safety Net Review. The AFPC’s first wage-setting decision published the new adjusted rates of pay for the preserved APCS derived from the NTW Award 2000 in Schedule 1 of the decision.

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645 Workplace Relations Act 1996 (Cth) s. 208(1).

646 Other awards which contained trainee provisions were also preserved, and a new preserved Pay Scale was created under s. 555 of the pre-reform Workplace Relations Act 1996 (Cth) to fill in gaps for school-based trainees: see the Australian Government, *Submission to the Australian Fair Pay Commission 2006*, 28 July 2006, p. 277, para. 10.219.


During the AFPC’s subsequent general wage-setting decision increases from 2006 to 2008, traineeship wage rates were adjusted to flow on wage increases in this manner.650

The AFPC announced in its 2007 decision that it would commence a review of trainee rates of pay with a view to creating a special Federal Minimum Wage as required by the legislation.651 However on 18 December 2007 the Australian Government requested that the AFPC discontinue these proceedings to avoid any overlap and/or duplication with the award modernisation process.652

5.1.6 Award modernisation and the National Training Wage schedule

In an early statement regarding the award modernisation process the Full Bench of the Commission stated there was general agreement that the NTW Award 2000 required redrafting.653 The Commission stated that "the redrafted national training wage provisions should be included as a schedule to each modern award if it is practical to do so."654

On 23 September 2009, the Full Bench made a statement regarding a draft of the NTW schedule that it had prepared, indicating a preference for one common NTW that would include the full range of available training packages.655 The provisions would be included in as many modern awards with relevant training arrangements as possible.656 The draft contained training packages that had been approved at the time the NTW Award 2000 was last varied.657 The draft used the same principles for setting wages as the NTW Award 2000.658

After the exposure draft was released on 25 September 2009 minor amendments to the NTW schedule were made and the final version of the NTW schedule was released on 4 December 2009. The NTW schedule was attached to most modern awards, but not to all. This is further discussed in Chapter 7.

5.1.7 Continued state and territory regulation of trainees

The FW Act has continued the approach of the WR Act in providing that certain state and territory laws continue to operate including those applying to ‘training arrangements’.659 These arrangements are further detailed in Chapter 1.

Each one of these state and territory Acts defines a trainee as a person undertaking training under a training contract, or refers to a training contract or agreement setting out the obligations of the employer and employee in relation to obtaining training qualifications (see Appendix 20 for a further overview of these provisions as they related to trainees).

659 Fair Work Act 2009 (Cth), s. 27(2)(f).
5.1.7.1 Trainee wage provisions in state and territory legislation

Under the FW Act, the ‘non-exclusion’ of the application of state and territory laws relating to training arrangements does not include training arrangements that apply to the ‘terms and conditions of employment to the extent that those terms and conditions are provided for by the National Employment Standards or may be included in a modern award’.660

Many of the state and territory training Acts do not contain provisions that refer to, or regulate, the payment of wages for trainees. However, the Apprenticeship and Traineeship Act 2001 (NSW) requires that trainees are to receive conditions no less favourable than those set by the relevant industrial award or agreement.661 The Northern Territory Employment and Training Act 1991 (NT) provides that the wage rates are to be determined by the Northern Territory Employment and Training Authority based on levels of competence.662 The Industrial Relations Act 1999 (Qld) provides that a trainee is entitled to the same employment conditions as those fixed by the industrial instrument applicable to employees in the workplace where the trainee is employed,663 while the Training and Skills Development Act 2008 (SA) requires a training contract to meet the employment conditions of the relevant award or industrial instrument.664

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660 Fair Work Act 2009 (Cth), s. 27(2)(f).
661 Apprenticeship and Traineeship Act 2001 (NSW) s. 17.
662 Northern Territory Employment and Training Act 1991 (NT) s. 66.
663 Industrial Relations Act 1999 (Qld) s. 136(1).
664 Training and Skills Development Act 2008 (SA) s. 46(6)(b)(i).
6 Characteristics of trainees

This chapter investigates the characteristics of trainees by analysing two datasets from separate sources. They are:

- the NCVER database on administrative reporting by state and territory training authorities; and

NCVER’s dataset is derived from the National Apprentice and Trainee Collection and is reported on a quarterly basis. The ABS’s SEW uses data, collected from around 30,000 households, in a survey conducted in May each year and based on each interviewee’s self-response to questions. The survey is designed to present information about the educational experiences of people, especially in relation to their labour force status.

Each survey defines trainees, and distinguishes them from apprentices in different ways. The next section of this chapter outlines the broad range of definitions of trainees and traineeships and how they differ from apprentices. Section 6.3 gives a brief overview of aggregate data on trainees for 2009 (the most recently available yearly data). This is followed by a historical analysis focusing on trends over the 10 years to 2009 using NCVER data in section 6.4. Section 6.5 analyses the disaggregated characteristics of trainees and also compares the NCVER and ABS estimates.

6.1 Definition of ‘trainees’ and ‘traineeships’

At a policy level, trainees are included in the ‘Australian Apprentices’ scheme. Since 2006, the Australian Government has defined ‘Australian Apprentices’ to be people undertaking an Australian Apprenticeship that ‘combine[s] training and employment [which] … can lead to a nationally recognised qualification’. Australian Apprentices can encompass employees in a wide variety of occupations and training with differing qualifications from any accreditation. However, some analysis draws a distinction between a ‘traineeship’ (an arrangement that does not lead to a trade qualification) and a ‘traditional’ apprenticeship (an arrangement that results in a trade qualification). Before being merged into the definition of ‘Australian Apprentices’, traineeships had a separate and distinct identity to that of ‘traditional’ apprenticeships, and their emphasis on providing work and training in ‘non-trade’ occupations reflects the differing definitions afforded to traineeships from policy, statistical, legislative and industrial perspectives.

In modern awards, trainees are treated separately from ‘traditional’ apprentices, with trainees having their wage rates provided by a standard schedule attached to certain modern awards (the NTW schedule) and ‘traditional’ apprentices tending to have their own separate provisions in each relevant award—each varying in their classifications and terms depending on the modern award that applies to the industry (see Chapter 3 for a further discussion). Despite this distinction at a wage-setting level, the FW Act provides no unified definition as to what constitutes a trainee or a traineeship. The FW Act does however provide separate definitions of a school-based trainee and a school-based apprentice.

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665 The ‘Australian Apprenticeships’ website administered by the Australian Government states that ‘Australian Apprenticeships are available in a variety of certificate levels in more than 500 occupations across Australia, in traditional trades, as well as a diverse range of emerging careers in most sectors of business and industry’. See: <http://www.australianapprenticeships.gov.au/about/default.asp>.

6.1.1 Distinction between trainees and apprentices

Traineeships were introduced in Australia in 1985 on the recommendation contained in the Kirby Report. The system of traineeships introduced shortly afterwards ‘would combine learning and working in a similar way to apprenticeships but would apply to non-trades occupations’ and generally take 12 months to complete. This was in contrast to apprenticeships, which at that time were generally four years in duration and were offered in traditional trade-based occupations.

Discourse and research concerning ‘Australian Apprenticeships’ continues to distinguish traineeships from ‘traditional’ apprenticeships where there is a focus on the ‘non-trade’ element of traineeships as well as their length. The Council of Australian Governments’ (COAG) 2009 Australian Apprentices Taskforce—Final Report noted distinctions between the two groups, stating:

...measures should be restricted to and directed at selected traditional trades. This does not mean that changes to the traineeship system should not occur but rather there are other processes and avenues to deal with identified issues in the traineeship system and ensure that the potential of that system is fully realised.

It subsequently defined ‘traditional trades’ to be workers covered by occupations that comprise the ASCO Major Group 4—Tradespersons and Related Workers.

Another feature of traineeships that distinguishes them from ‘traditional’ apprenticeships is their length. While ‘traditional’ apprenticeships tend to take up to four years, some parties such as NCVER define traineeships to be shorter in length:

Traineeships: A system of vocational training combining off-the-job training with an approved training provider with on-the-job training and practical work experience. Traineeships generally take one to two years.

This approach had, until recently, generally been reflected industrially via the NTW Award 2000, which had provided pay increments limited to the first year and the second year of the traineeship. The NTW schedule to modern awards has recently been amended such that these provisions now apply the second-year rate to ‘subsequent years’ beyond the second. This could be in response to the increasingly higher levels of certification that are able to be attained through a traineeship.

A further discussion of the approach of parties to defining trainees as separate to apprentices considers:

- data perspectives;
- federal, state and territory legislation;
- approaches of federal, state and territory governments;

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670 The Taskforce report triggered the current review into apprenticeships being conducted by the Australian Apprenticeships in the 21st Century Panel.
672 Council of Australian Governments, 2009, Australian Apprentices Taskforce—Final Report, Australian Government, Canberra, December, p.17, footnote 11. It should be noted that the ABS has now replaced the ASCO classification system with the ANZSCO classification system, which puts trades workers in ‘Major Group 3—Technicians and Trades Workers’.
674 National Training Wage Award 2000 (AW790899CR) [Fed]
675 In 2001, the National Training Wage Award 2000 was updated to include a range of training packages that included Certificate III and IV traineeships (previously it had only included Certificate I and II traineeship packages reflecting the view at that time that traineeships generally related to training and work with related to training that was ‘lower’ than that of the ‘traditional apprenticeships’). [PR908906 and PR904174].
Australian apprentice minimum wages in the national system

- the Commission; and
- modern awards.

6.1.1.1 Data perspectives

The NCVER approach to capturing trainees uses an approximate measure of all workers in training contracts who are covered by all ANZSCO categories other than the Major Group 3—Technicians and trades workers (similar to the ASCO Major Group 4—Tradespersons and related workers). NCVER has explained that trades are very different from other apprenticeships and traineeships.

The data is derived from the National Apprentice and Trainee Collection, which is compiled under the Australian Vocational Education and Training Management Information Statistical Standard (AVETMISS) for apprentice and trainee collection specifications. Full-time trainees are those whose ordinary hours of work are not less than the usual hours of employment for a full-time employee in that occupation. Various provisions apply to part-time trainees across Australia and across occupations.

With the move to New Apprenticeships and Australian Apprenticeships, the definitions between apprenticeship and traineeship were intentionally blurred. Due to this, NCVER publications report on contracts of training, as the data submitted to NCVER by states and territories do not distinguish apprentices from trainees. In an effort to continue to report apprenticeships, NCVER previously proxied ‘traditional apprentices’ as including those ‘employed under a contract of training in a trades occupation (as defined by ASCO), training towards a qualification at Australian Qualifications Framework (AQF) level III or higher, and the expected duration of that contract is more than two years for full-time workers (or more than eight years for part-time workers’).

Several concepts are used in the NCVER data:

- **Commencements** refer to trainees starting a program of training, with the date of commencement being the date of registration or approval of a contract of training;
- **Completions** refer to contracts of training in which all of the prescribed requirements have been met;
- **Attrition** relates to contracts of training which were commenced but subsequently cancelled, withdrawn or transferred from; and
- **In-training** refers to trainees who are actively training under the terms of their contract and who have not completed, cancelled, withdrawn or transferred their training, nor had their training contract expire without meeting all of the prescribed requirements of their program.

Each contract of training is counted separately. For example, if a person commences multiple contracts in a year, each is counted separately. Contracts ‘transferred’ are considered as cancellations or withdrawals as historically they have been reported this way.

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676 This definition is discussed in greater detail in section 2.1.2
School-based apprentices are included in NCVER’s count of trainees. A school-based trainee satisfies the conditions that:

- the student is enrolled in a senior secondary certificate under the relevant education Act;
- the student is enrolled in a school or education provider that acknowledges and endorses the Training Plan/Outline required by the Traineeship Training Contract; and
- the Australian School-based Apprenticeship is recognised on the senior secondary certificate.

The ABS definition of a trainee is a person aged 15–74 who had entered into a legal contract in the same way as an apprentice. A traineeship involves training in a vocational area (e.g. office administration, information technology, hospitality) and usually takes one to two years to complete. Prior to 2008, the ABS identified trainees as aged 15–54 years. However, in 2008, this was changed to include persons aged 15–64 years. In 2008, the definition for apprentices and trainees changed from those employed as apprentices/trainees to include only those with a formal contract under the Australian Apprenticeship Scheme. Australian School-based Apprenticeships are excluded from their count of apprentices.

Full-time trainees are defined as those who usually work 35 hours or more in a week or those who worked 35 hours or more in the reference week.

6.1.1.2 Federal, state and territory legislation

6.1.1.2.1 Fair Work Act 2009 (Cth)

As outlined, the Fair Work Act 2009 (Cth) (FW Act) does not directly draw any distinction between ‘apprentices’ or ‘trainees’, instead encompassing both in a definition of ‘employees to whom training arrangements apply’.681 Training arrangements are defined as ‘a combination of work and training that is subject to a training agreement, or a training contract, that takes effect under a law of a state or territory relating to the training of employees’.682 To this extent, the definition largely reflects the Australian Government’s approach in defining ‘Australian Apprenticeships’ as a link between training and employment.

However the FW Act does provide separate definitions for categories of trainees, such as school-based trainees. The FW Act defines a school-based trainee as a ‘national system employee (other than a school-based apprentice) to whom a school-based training arrangement applies.’683 A ‘school-based training arrangement’ is defined as ‘a training arrangement undertaken as part of a course of secondary education’.684

The section does not go on to further define the distinction between what would make the school-based employee an ‘apprentice’ or a ‘trainee’.

6.1.1.2.2 State and territory legislation

Vocational Education and Training (VET) is an area of shared responsibility between the Australian, state and territory governments together with industry. In all state and territory jurisdictions, VET legislation regulates the training and access to qualifications of apprentices and trainees.

681 See for example, s.284(3)(a) Fair Work Act 2009 (Cth).
682 Fair Work Act 2009 (Cth), s.12.
683 Fair Work Act 2009 (Cth), s.12.
684 Fair Work Act 2009 (Cth), s.12.
This section outlines the VET legislation approaches to defining trainees.

Most definitions of a trainee in the state and territory VET legislation are consistent with the Australian Government’s approach by defining trainees as a person employed for training purposes under an approved training contract.

Some state and territory legislation recognises a distinction between an apprentice and trainee, but does not seek to further define the terms as distinct from one another. Rather the term ‘apprentice’ or ‘trainee’ is used interchangeably to encompass people who are employed through a training-type arrangement.

For example, the Australian Capital Territory legislation defines a ‘trainee’ to be someone who undertakes training under a contract ‘and includes an apprentice’. The South Australian legislation also provides a dual definition, stating that an ‘apprentice/trainee’ is a person who undertakes a training trade as declared under their training contract. The Tasmanian legislation also provides only a definition of ‘trainee’ (rather than also of an apprentice), defining a ‘trainee’ to ‘be an employee who, whether described as a trainee, apprentice or otherwise, is a party to a training agreement that provides for the employee to undergo training leading to a qualification under the Australian Qualifications Framework’.

In Western Australia, the VET legislation includes trainees under a broad definition of apprentice, providing that ‘apprentice’ means ‘the person who is named in the training contract as the person who will be trained under the contract whether the person is termed an apprentice, a trainee, a cadet, an intern or some other term’.

The New South Wales and Queensland legislation do, however, define trainees and apprentices. The New South Wales VET legislation distinguishes an apprentice and trainee according to whether the party is signatory to an ‘apprenticeship contract’ or a ‘trainee contract’. The Queensland VET legislation similarly focuses on a trainee as someone who has signed a traineeship contract.

In the Northern Territory, the VET legislation is silent as to the definition of a trainee, providing only a broad definition of an apprentice without any reference to trainees or a training arrangement.

6.1.1.3 Approach of federal, state and territory governments

6.1.1.3.1 Federal Government

As outlined, the Australian Government uses the terminology ‘Australian Apprentices’ which is a general term formulated to encompass both apprentices and trainees. In COAG’s 2009 Australian Apprentices Taskforce—Final Report (which triggered the review into apprenticeships being conducted by the Australian Apprenticeships in the 21st Century Panel), the Taskforce defined an Australian Apprentice to be:

An Australian Apprentice means a person who has a current Commonwealth Registration Number in relation to a full-time apprenticeship, traineeship or trainee apprenticeship under the scheme known as Australian

685 Training and Tertiary Education Act 2003 (ACT), s. 4.
686 Training and Skills Development Act 2008 (SA), s. 4(1).
687 Vocational Education and Training Act 1994 (TAS), s. 3.
688 Vocational Education and Training Act 1996 (WA) s. 60A.
689 Apprenticeship and Traineeship Act 2001 (NSW), s.3.
690 Vocational Training and Education Act 2000 (QLD), s.10(1).
691 Northern Territory Employment and Training Act 1991 (NT), s. 3(1).
692 The Australian Government noted that in some states and territories, an Australian Apprentice can refer to an apprentice or trainee. See: <http://www.australianapprenticeships.gov.au/about/>.
Apprenticeships, but does not include a person whose registration number is suspended.\(^{693}\)

This definition recognises that the definition may encompass a variety of differing training arrangements and definitions with the key binding point at a Commonwealth level being the attainment of registration of training for the worker.

6.1.1.3.2 State and territory bodies

Despite definitions established by each jurisdiction’s state and territory VET legislation, training authorities and government bodies that manage vocational training and access to qualifications also provide varying definitions of a trainee from the legislation. Training authorities separately define what constitutes a trainee and in some cases make a comparison between the features of traineeships as opposed to apprenticeships.

For example, the NSW DET defines a trainee as ‘a person who has been employed in a recognised traineeship vocation\(^{694}\) and who has entered into a training contract with his/her employer under the *Apprenticeship and Traineeship Act 2001*.\(^{695}\)

The Queensland and Western Australian Government departments focus on traineeships as being in ‘vocational’ areas and covering certain occupations such as information technology and hospitality. The QDET defines a trainee as ‘... someone who is being trained in a vocational area ... areas include, but are not limited to, office administration, information technology and hospitality. Upon completion of a traineeship you will be eligible to receive a minimum of a certificate II in your chosen vocational area.\(^{696}\) The Western Australian Department of Education and Training provides that ‘Western Australia makes a distinction between apprentices and trainees’.\(^{697}\) A traineeship is described as combining ‘practical experience at work with structured training ... usually in non-trade areas.’\(^{698}\) The Northern Territory provides that ‘apprenticeships are generally available in traditional trades, [while] [t]raineeships [are] available in a diverse range of emerging career paths in most sectors of industry, business and community services’.\(^{699}\)

Skills Tasmania highlights that the distinction between an apprenticeship and traineeship is its duration. It explains that in Tasmania ‘an apprenticeship is generally up to four years, and most traineeships are 12–24 months’.\(^{700}\)

Most state and territory training authorities also recognise that a part-time traineeship is one in which the trainee works less than the ordinary minimum weekly hours. The NSW DET provides that a part-time employee is a person employed on a permanent arrangement for less than the full-time weekly hours of work provided for in


\(^{694}\) A traineeship vocation is one designated by order of the Commissioner and published in the Gazette. See s. 5 of the *Apprenticeship and Traineeship Act 2001* (NSW).


an industrial award or agreement. The NSW DET specifies that the minimum part-time hours for trainees are:

- 15 hours per week for traineeships with a nominal full-time term of less than two years; and
- 21 hours per week for traineeships with a nominal full-time term of two years or more.

Skills Victoria provides that a part-time trainee is required to work ‘13 hours per week (at least 7 hours employment; 6 hours of training) averaged over 1, 2 or 4 week cycles’. In Queensland, the working hours (including supervised training) of the trainee has to average a minimum 15 hours per week over each four week period for the length of the training contract for the trainee to be considered part time.

6.1.1.4 Australian Industrial Relations Commission interpretations

The Commission has not provided an authoritative definition of a trainee, though some cases heard by the Commission have canvassed the definitions of trainee under relevant industrial legislation. Often the central issue in most cases is whether an employee, in their specific employment circumstances, possesses the characteristics needed to fall within this definition.

For example, in Lyons v Dawkins Investments Pty Ltd t/as Moss Vale Toyota (1999), the Commission held that the applicant was not a trainee within the term of the Workplace Relations Regulations 1996 (Cth). The Commission relied on the definition of trainee in Regulation 30A(1) which provided that a trainee ‘means an employee (other than an apprentice) who is bound by a traineeship agreement’.

The Commission concluded that in considering whether an employee is a trainee ‘it is also necessary to consider the relevant provisions of both the National Training Wage Interim Award 1994 (Award) and the relevant law ... which relates to the training of employees’.

The Commission further concluded that a trainee was an employee bound by a traineeship agreement ‘which is both consistent with the Award and is registered either under a state law relating to the training of employees’ or the relevant state or territory training authority.

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705 See AIRC Lyons v Dawkins Investments Pty Ltd t/as Moss Vale Toyota (Print R4415, 3 May 1999) and Popovski v Purity Property Services Pty Ltd [PR957865, 24 May 2005].
706 Workplace Relations Act Regulations 1996 (Cth), Reg 30A.
707 AIRC, Lyons v Dawkins Investments Pty Ltd t/as Moss Vale Toyota (Print R4415, 3 May 1999), para 12.
708 NETTFORCE means the body registered by that name under the Corporations Law and having Australian Registered Body Number 065671990.
6.1.1.5 Modern awards

6.1.1.5.1 National Training Wage schedule

The NTW schedule attached to most modern awards defines a trainee as an ‘employee undertaking a traineeship under a training contract’.709 A training contract is defined in the NTW schedule as ‘an agreement for a traineeship made between an employer and an employee which is registered with the relevant state or territory training authority’.710 A traineeship is defined in the NTW schedule as:

... a system of training which has been approved by the relevant State or Territory training authority, which meets the requirements of a training package developed by the relevant Industry Skills Council and endorsed by the National Quality Council, and which leads to an AQF certificate level qualification.711

The NTW schedule also provides clarification of part-time traineeships defining them as traineeships ‘based on less than 38 ordinary hours per week, with 20 per cent of ordinary hours being approved training solely on-the-job or partly on-the-job and partly off-the-job, or where training is fully off-the-job’.712

6.2 Data sources and limitations

6.2.1 National Centre for Vocational Education Research

NCVER publishes data on the number of people undergoing regulated training. The NCVER database on apprentices and trainees, called the National Apprentice and Trainee Collection, contains data from various NCVER collections obtained from administrative reporting by state and territory training authorities. The most recent complete year for which NCVER data are currently available is 2009. NCVER’s annual publication, Australian vocational education & training statistics, is also utilised as it provides further information, such as completion and attrition rates.

The data in the National Apprentice and Trainee Collection are published on a quarterly basis. In this report, for each training contract status except for in-training, estimates for the 12 months ending 31 December of each year are reproduced as the sum of the four quarters. Only the figure applicable as at 31 December 2009 is reported for in-training, as a point in time reference.

NCVER reports estimated data for the most recent quarters, due to lags in reporting. These estimates are based on historical reporting lags. Each year NCVER reviews these estimates to validate their robustness.

Completion and attrition rates are calculated by tracking each contract from its commencement. If two or more contracts are commenced by an individual in the same year, each is counted separately. Neither completion nor attrition rates take into account continuing contracts or expired contracts if the outcome is unknown.713

As ASCO is no longer the occupational reporting category for ABS statistics, an approximate measure of apprentices used by NCVER is the ANZSCO (2006) Major Group 3 category—Technicians and trades workers. Conversely, an approximate measure of trainees is to use the remaining ANZSCO Major Groups (that is, Major Groups 1–2 and 4–8). A comparison over time is possible with this approach as NCVER has back-cast ANZSCO

709 Item 4 of the National Training Wage schedule as inserted into certain modern awards.
710 Item 4 of the National Training Wage schedule as inserted into certain modern awards.
711 Item 4 of the National Training Wage schedule as inserted into certain modern awards.
712 National Training Wage schedule attached to various modern awards—item 3.1(b).
over historical data to the September quarter 1994, based on current ANZSCO usage, training package and ASCO data previously collected. It must be noted that this definition is an approximation and may not capture all trainees, while also capturing some who are not trainees.

There remain other limitations to this form of information reporting. VET statistics are yet to capture quality data on the nature of training received from private providers. These include non-TAFE providers and market-based private providers. As well as for more complete data, limitations such as this can be improved to gain a better understanding into policy and practice.\textsuperscript{714}

\section*{6.2.2 Australian Bureau of Statistics}

The 2009 ABS SEW contains data on apprentices and trainees regarding their demographic characteristics and educational participation and attainment. In contrast to the NCVER administrative data, which are collected from state and territory training authorities, data from the SEW are collected from a survey of around 30,000 households.

The SEW is a household survey in which one member of the household being surveyed is asked to provide a response. Trainees are identified by working in vocational areas.

The sample size of the survey may be problematic for analysis at the disaggregated level. As trainees comprise only a small proportion of total employment, the number of trainees identified in a survey of 30,000 households may be too small to provide reliable results.

Another challenge with interrogating the data is that the ABS has changed the definition of a trainee in recent years, which potentially creates problems in time series analysis. In previous years, only persons aged 15–54 years were included in the apprenticeship/traineeship survey questions. In 2008, the age scope was extended to include persons aged 55–64 years for these questions, and in 2009, the age scope was further extended to include persons aged 65–74 years. The effect of this expansion is likely to be minor as persons aged 55–64 and 65–74 years represent only a small proportion of trainees. As this definition has changed over the years, comparisons are difficult and therefore only data for 2009 are included in this report. Similarly, changes to definitions of occupations and industries mean that data prior to 2007 are not directly comparable with 2009 data.

In the 2007 SEW CURF, it is possible to separate apprentices and trainees. There are potential problems analysing the 2009 SEW CURF, however, as apprentices and trainees in the latest survey are grouped together. In order to analyse only trainees, a special data request was submitted to the ABS to create a new dataset that separates apprentices and trainees. When the NCVER method of approximation for trainees is applied to the 2007 SEW CURF, the authors estimate around 21 per cent of this measure will consist of apprentices, while around 9 per cent of trainees in other occupations are missed.


6.3 Overview of aggregate trainees data, 2009

Using NCVER’s definition of trainees, Table 6.1 shows the number of trainees by training contract status. There were 193,450 commencements in the 12 months ending 31 December 2009. More trainees completed their training arrangements (112,959) than the number of attrition occurrences (71,125). There were 217,032 trainees in-training as at 31 December 2009. Around 39 per cent of traineeships were commenced by existing workers, who are workers that had been employed by their current employer for more than three months full-time or 12 months part-time prior to commencing their training contract.716

Table 6.1: Number of trainees by training contract status, 12 months ending 31 December 2009

<table>
<thead>
<tr>
<th>Contract status</th>
<th>Number of trainees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commencements</td>
<td>193,450</td>
</tr>
<tr>
<td>Completions</td>
<td>112,959</td>
</tr>
<tr>
<td>Attrition</td>
<td>71,125</td>
</tr>
<tr>
<td>In-training, as at 31 December 2009</td>
<td>217,032</td>
</tr>
</tbody>
</table>

Note: Attrition is equal to the number of cancellations and withdrawals.
Source: NCVER, National Apprentice and Trainee Collection, no. 65, September 2010 estimates.

The ABS’s most recent estimates found 44,000 trainees in-training in May 2009. Of these, 34,600 (79 per cent) had commenced their traineeship in the previous 12 months. The ABS also estimated that around 24,100 trainees (55 per cent) were female; around 30,500 (69 per cent) were employed on a full-time basis; and that New South Wales had the most trainees compared to other states and territories having an estimated 17,000 (39 per cent) trainees in-training.

6.4 Historical trends of trainees, 1999–2009

Chart 6.1 shows the changes in the different training contract statuses over the 10 years to the 12 months ending 31 December 2009. An increase in the number of trainees between 1999 and 2003 occurred across most training contract statuses. Commencements peaked in 2003 (212,870) but decreased thereafter, remaining slightly below 200,000 across most years to 2009. The numbers of completions increased between 1999 and 2004 before remaining steady to 2009. Attrition occurrences increased between 1999 and 2003 before falling steadily to 2009. The number of completions was higher than attrition between 2000 and 2009, with the difference growing over the period.

---

Cully\textsuperscript{717} summarises some explanations for the increase in traineeship commencements to 2002, centring on policy-setting changes in the late 1990s. Those were: the introduction of a training wage; the removal of an age limit; provisions for ‘existing workers’ to add a contract of training to their contract of employment; and changes to the structure of employer incentive payments associated with the hiring and training of apprentices and trainees.

Chart 6.2 shows the percentage changes across each training contract status over the 10 years to 2009. While each grew relatively strongly in 1999, these growth rates fell across the subsequent years to 2004. Between 2004 and 2009, growth rates centred on zero and all were negative in 2009 except for completions.

Chart 6.3 shows the number of trainees in-training as at 31 December of each year from 1999 to 2009. The

number increased over the period, with most of the growth occurring between 1999 and 2003. Between 2003 and 2007 the numbers in-training fell before slightly increasing to 2009.

Chart 6.3: Number of trainees in-training, as at 31 December, 1999–2009

NCVER also collects cohort data on completion and attrition rates by tracking the status of a cohort of commencements in each year. As traineeships normally take one to two years to complete, reliable data are currently only available for the 2002 to 2006 cohorts. Table 6.2 shows that the outcomes over these years were similar, with completion rates around 52 per cent and attrition rates slightly above 40 per cent.

Table 6.2: Completion and attrition rates, 2002–2006

<table>
<thead>
<tr>
<th>Year</th>
<th>Completion rate (per cent)</th>
<th>Attrition rate (per cent)</th>
<th>Continuing or outcome unknown (per cent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>49.4</td>
<td>42.4</td>
<td>8.2</td>
</tr>
<tr>
<td>2003</td>
<td>50.0</td>
<td>41.8</td>
<td>8.2</td>
</tr>
<tr>
<td>2004</td>
<td>51.8</td>
<td>41.5</td>
<td>6.7</td>
</tr>
<tr>
<td>2005</td>
<td>52.1</td>
<td>41.2</td>
<td>6.7</td>
</tr>
<tr>
<td>2006</td>
<td>52.0</td>
<td>40.2</td>
<td>7.8</td>
</tr>
</tbody>
</table>

Note: Year of commencement given. Completions where duration of training is unknown are excluded from the calculation of proportions.

6.4.1 States and territories

Victoria had the highest number of trainee commencements between 1999 and 2005, however the numbers fell between 2005 and 2007, leaving New South Wales as the state with the highest number of trainee commencements in the 12 months ending 31 December 2009. Western Australia had the highest average annual growth in commencements (6 per cent) over the 10 years to 2009.

The number of completions was highest in Victoria between 1999 and 2007, before New South Wales overtook it in 2008 and 2009. Around 60 per cent of completions occurred in these states in 2009, and both had the highest average annual growth rates over the 10 years to the 12 months ending 31 December 2009.

As described earlier, attrition fell from 2004. This was partly due to falls in Victoria, where attrition dropped by around 39 per cent between 2004 and 2009 (the number of commencements fell by around 12 per cent over the same period).
6.5 Disaggregated characteristics of trainees

This section divides the characteristics data of trainees into several components, analysing their historical and more recent trends. In the 2009 report, *Apprenticeships and traineeships in the downturn*, NCVER stated ‘that it is important to think about apprenticeships and traineeships at a disaggregated level’. As trainees are not equally distributed across the labour market, an in-depth analysis can identify the areas of the labour market where trainees are located and which areas have experienced change over time.

The components are:

- occupation;
- industry;
- age;
- gender;
- full-time/part-time status;
- previous highest educational attainment; and
- school-based trainees.

Most trainee commencements were located in the Clerical and administrative workers; Community and personal service workers; and Sales workers occupational groups, according to NCVER data. ABS data also show high proportions of trainees in these occupations, as well as Labourers. However its estimates also show that there are a notable proportion of trainees in Technicians and trade workers, where by the NCVER definition they would be considered as apprentices rather than trainees.

Source: NCVER, National Apprentice and Trainee Collection, no. 65, September 2010 estimates.

NCVER data show that the majority of trainee commencements were located in industries with relatively high award-reliance, such as Accommodation; Retail trade; and Health care and social assistance in 2009. On the other hand, ABS data show that most trainees were in Health care and social assistance; Public administration and safety; and Retail trade.

The distribution of trainee commencements between males and females was relatively even between 1999 and 2002. Between 2002 and 2009, females comprised a greater proportion of trainee commencements and in 2009, 55 per cent of trainee commencements were female (or 105,454 trainees). Similarly, ABS data estimated around 55 per cent of trainees were female in May 2009.

Most trainee commencements were full time, though this proportion gradually decreased from around 76 per cent in 1999 to around 61 per cent in 2009, partly due to the increase in the uptake of part-time traineeships and of school-based trainees over the period (since their commencement in 1998). The ABS estimated around 69 per cent of trainees were employed on a full-time basis in 2009.

The majority of trainee commencements were at the AQF Qualification Certificate III level (Chart 6.5). The proportion at this level remained between 53 per cent and 60 per cent over each of the 10 years to 2009, with the number peaking in 2003. Over the period, there was a fall in the proportion of trainees at the Certificate II level and a simultaneous increase in the proportion of trainees at the Certificate IV level. The proportion of trainee commencements at the Certificate II level fell from 43 per cent in 1999 to 18 per cent in 2009, while the proportion of trainee commencements at the Certificate IV level increased from 4 per cent in 1999 to 24 per cent in 2009. There were more commencements at the Certificate IV level than the Certificate II level in 2009 for the first time over the 10-year period. However, the number of attrition occurrences was higher at the Certificate II level than at the Certificate IV level across the period. Around 55 per cent of attrition and 61 per cent of completions were at Certificate level III in 2009.

Chart 6.5: Number of trainee commencements by qualification, 12 months ending 31 December, 1999–2009

Source: NCVER, National Apprentice and Trainee Collection, no. 65, September 2010 estimates.
6.5.1 Comparison of estimates

There are large differences between the NCVER and ABS datasets, with the NCVER estimation of the number of trainees in-training around five times higher than the ABS estimate in 2009. One reason may be due to methodological differences, with NCVER defining trainees as employees who are located in occupational groups other than ANZSCO Major Group 3, while the ABS identifies trainees from survey questions, which require respondents to self-identify trainees. NCVER data also do not include trainees under private training providers. ABS data also has sample size issues affecting its reliability, with many estimates having high relative standard errors, particularly for detailed breakdowns of industry, occupation and age. Two datasets are analysed in this chapter as there is no ‘agreed’ definition of a trainee or method of reporting the demographics of trainees.

The following table compares the disaggregated characteristics of trainee data from the ABS and NCVER.

While this report analyses the number of trainees in-training as at 31 December for NCVER data, Table 6.4 also includes estimates as at 30 June 2009 to compare with the May 2009 estimates from the ABS. ABS estimates are significantly lower than those of NCVER across each variable.

**Table 6.3: Comparison of ABS and NCVER estimates, number of trainees**

<table>
<thead>
<tr>
<th></th>
<th>ABS May 2009 ('000s)</th>
<th>NCVER as at 30 Jun 2009 ('000s)</th>
<th>NCVER as at 31 Dec 2009 ('000s)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td>44.0</td>
<td>223.3</td>
<td>217.0</td>
</tr>
<tr>
<td><strong>Male</strong></td>
<td>19.9</td>
<td>104.6</td>
<td>101.6</td>
</tr>
<tr>
<td><strong>Female</strong></td>
<td>24.1</td>
<td>118.7</td>
<td>115.4</td>
</tr>
<tr>
<td><strong>Full-time</strong></td>
<td>30.5</td>
<td>139.0</td>
<td>134.8</td>
</tr>
<tr>
<td><strong>Part-time</strong></td>
<td>13.4</td>
<td>84.3</td>
<td>82.2</td>
</tr>
<tr>
<td><strong>Jurisdiction</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NSW</td>
<td>17.0</td>
<td>81.9</td>
<td>81.4</td>
</tr>
<tr>
<td>VIC</td>
<td>9.0</td>
<td>55.0</td>
<td>52.7</td>
</tr>
<tr>
<td>QLD</td>
<td>10.6</td>
<td>41.8</td>
<td>40.3</td>
</tr>
<tr>
<td>SA</td>
<td><strong>1.3</strong></td>
<td>18.7</td>
<td>17.5</td>
</tr>
<tr>
<td>WA</td>
<td>*4.3</td>
<td>14.1</td>
<td>14.1</td>
</tr>
<tr>
<td>TAS</td>
<td>*1.2</td>
<td>6.3</td>
<td>5.6</td>
</tr>
<tr>
<td>NT</td>
<td><strong>0.3</strong></td>
<td>1.8</td>
<td>1.8</td>
</tr>
<tr>
<td>ACT</td>
<td>np</td>
<td>3.7</td>
<td>3.6</td>
</tr>
<tr>
<td><strong>Selected industries</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manufacturing</td>
<td>*4.8</td>
<td>26.7</td>
<td>24.0</td>
</tr>
<tr>
<td>Retail trade</td>
<td>*5.5</td>
<td>28.9</td>
<td>28.0</td>
</tr>
<tr>
<td>Accommodation#</td>
<td>*3.4</td>
<td>34.0</td>
<td>34.6</td>
</tr>
<tr>
<td>Transport, postal and warehousing</td>
<td>*3.5</td>
<td>20.4</td>
<td>21.0</td>
</tr>
<tr>
<td>Administrative and support services</td>
<td>np</td>
<td>18.6</td>
<td>17.9</td>
</tr>
<tr>
<td>Public administration and safety</td>
<td>*5.8</td>
<td>12.2</td>
<td>10.3</td>
</tr>
<tr>
<td>Health care and social assistance</td>
<td>*9.2</td>
<td>26.2</td>
<td>25.6</td>
</tr>
<tr>
<td><strong>Occupation</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Managers</td>
<td><strong>1.9</strong></td>
<td>7.8</td>
<td>8.0</td>
</tr>
<tr>
<td>Professionals</td>
<td>*2.8</td>
<td>6.3</td>
<td>4.3</td>
</tr>
<tr>
<td>Technicians and trade workers</td>
<td>*5.7</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Community and personal service workers</td>
<td>11.1</td>
<td>48.5</td>
<td>46.4</td>
</tr>
</tbody>
</table>
6.5.2 Occupation

This section analyses the seven ANZSCO occupation categories that NCVER uses to identify trainees. Appendix 1 contains more detailed data tables for these occupations.

Table 6.4 provides some examples of occupations within the respective ANZSCO categories.

Table 6.4: Types of workers within ANZSCO occupations

<table>
<thead>
<tr>
<th>ANZSCO Major Group</th>
<th>Examples of occupations</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Managers</td>
<td>Chief executive, Legislator, Farm manager, Child care centre manager, School principal</td>
</tr>
<tr>
<td>2 Professionals</td>
<td>Actor, Journalist, Accountant, Sales representative, Pilot, Architect, Chemist, Software engineer, Social worker</td>
</tr>
<tr>
<td>4 Community and personal service workers</td>
<td>Dental technician, Youth worker, Child care worker, Waiter, Police officer, Flight attendant, Fitness instructor</td>
</tr>
<tr>
<td>5 Clerical and administrative workers</td>
<td>Personal assistant, Bookkeeper, Courier, Customs officer, Debt collector</td>
</tr>
<tr>
<td>6 Sales workers</td>
<td>Real estate agent, Sales assistant, Telemarketer, Model, Office cashier</td>
</tr>
<tr>
<td>7 Machinery operators and drivers</td>
<td>Welder, Sewing machinist, Miner, Bulldozer operator, Taxi driver, Furniture removalist, Storeperson</td>
</tr>
<tr>
<td>8 Labourers</td>
<td>Car detailer, Commercial cleaner, Builder’s labourer, Confectionary maker, Fruit picker, Kitchenhand, Rubbish collector</td>
</tr>
</tbody>
</table>

Commencements for trainees in 2009 were relatively high in Clerical and administrative workers (56,163), Community and personal service workers (43,217) and Sales workers (40,201), comprising around three-quarters of all commencements in the 12 months ending 31 December 2009.\footnote{At the 2-digit level, the majority of Clerical and administrative workers consisted of Office managers and program administrators (24,801) and General clerical workers (11,673); the majority of Community and personal service workers consisted of Hospitality workers (19,630) and Carers and aides (12,136); and the majority of Sales workers consisted of Sales assistants and storepersons (37,001).}

Most occupations experienced increases in commencements between 1999 and 2003 before declining or remaining steady. Clerical and administrative workers (19 per cent) and Machinery operators and drivers (18 per cent) experienced the largest average annual\footnote{Average annual growth rates are calculated by (N₂/N₁)^(1/(T₂-T₁))*100-100, where N equals the number of trainees and T equals the year.} increases between 1999 and 2003. The exceptions were Professionals and Managers, which remained broadly stable between 1999 and 2005 before increasing.

The two occupation groups with the highest number of commencements over the 10 years to the 12 months ending 31 December 2009 were Clerical and administrative workers, Sales workers and Community and personal services workers. The occupations with the highest average annual increases over the 10 years to the 12 months ending 31 December 2009 were Managers (9 per cent), Clerical and administrative workers (7 per cent), Community and personal service workers (4 per cent) and Machinery operators and drivers (4 per cent).

Increases in commencements of trainee Managers were largely due to increases in Queensland, Western Australia and Tasmania. While changes in commencements for Clerical and administrative workers were mainly due to increases in New South Wales and Victoria (see Appendix 1 for detailed tables by jurisdiction).
In the 12 months ending 31 December 2009, Clerical and administrative workers (30,807); Community and personal service workers (24,901); and Sales workers (22,181) had the highest number of completions, comprising 69 per cent of all completions.

The number of completions increased over the 10 years to the 12 months ending 31 December 2009 across all occupations. Most of the increases occurred between 1999 and 2004 across all occupations except for Professionals and Managers. Clerical and administrative workers; Community and personal service workers; and Sales workers consistently had the highest number of completions per year over the decade.
A relatively high increase in the average annual growth rate of completions occurred across most states for Machinery operators and drivers (24 per cent) over the 10 years to the 12 months ending 31 December 2009. Other occupations that grew relatively strongly were Professionals (12 per cent) and Community and personal service workers (9 per cent).

Chart 6.9: Number of completions by occupation, 12 months ending 31 December, 1999–2009

Source: NCVER, National Apprentice and Trainee Collection, no. 65, September 2010 estimates.

In the 12 months ending 31 December 2009, attrition was highest in Sales workers (17 290); Clerical and administrative workers (17 269); and Community and personal service workers (16 290). Around 70 per cent of total attrition occurred in these occupations.

Chart 6.10: Number of attrition occurrences by occupation, 12 months ending 31 December 2009

Source: NCVER, National Apprentice and Trainee Collection, no. 65, September 2010 estimates.
Numbers of attrition occurrences increased for all occupation groups over the 10 years to the 12 months ending 31 December 2009 except for Labourers. Sales workers; Clerical and administrative workers; and Community and personal service workers had the highest number of attrition occurrences across most years.

Machinery operators and drivers (13 per cent), Professionals (10 per cent), and Managers (9 per cent) experienced the highest average annual increase in attrition occurrences over the 10-year period to the 12 months ending 31 December 2009, though each from a relatively low base.

Chart 6.11: Number of attrition occurrences by occupation, 12 months ending 31 December, 1999–2009

Source: NCVER, National Apprentice and Trainee Collection, no. 65, September 2010 estimates.

As at 31 December 2009, Clerical and administrative workers (60 858), Community and personal service workers (46 447) and Sales workers (42 636) had the highest number of trainees in-training, accounting for 69 per cent of all trainees in-training (Chart 6.12).

ABS estimates found that Community and personal service workers (11 100) had the highest number of trainees, followed by Labourers (9 400) and Clerical and administrative workers (6 700). However, estimates for Labourers and Clerical and administrative workers are somewhat unreliable due to their high relative standard errors.
The numbers of trainees in-training increased over the 10 years to 31 December 2009 across all occupation groups, except for Labourers (Chart 6.13). Trainee numbers increased significantly across most occupational groups between 1999 and 2003 before declining or remaining stable. The exceptions were Professionals and Managers, which remained relatively stable between 1999 and 2005 before increasing. Clerical and administrative workers and Sales workers had the highest number of trainees in-training across most of the years between 1999 and 2009.

The highest average annual increases in the number of trainees in-training over the 10 years to 31 December 2009 were in Managers, Clerical and administrative workers (both 10 per cent), Professionals (9 per cent) and Machinery operators and drivers (8 per cent).
Table 6.5 provides completion and attrition rates for each occupation category for commencements in the 12 months ending 31 December 2002 to 2006. Due to a significant number of trainees still undertaking their traineeship, reliable data for subsequent cohorts are not yet available.

Completion rates were highest for Professionals; Clerical and administrative workers; Machinery operators and drivers; and Community and personal service workers. Sales workers had the lowest completion rates and the highest attrition rates. Attrition rates were also relatively high for Labourers (Table 6.6).

Table 6.5: Contract completion rates by occupation for contracts commenced 2002–2006 (per cent)

<table>
<thead>
<tr>
<th>Occupation</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Managers</td>
<td>43.7</td>
<td>45.7</td>
<td>48.0</td>
<td>50.8</td>
<td>50.5</td>
</tr>
<tr>
<td>2 Professionals</td>
<td>53.5</td>
<td>56.9</td>
<td>59.8</td>
<td>55.9</td>
<td>58.9</td>
</tr>
<tr>
<td>4 Community and personal service workers</td>
<td>50.0</td>
<td>52.7</td>
<td>54.7</td>
<td>55.3</td>
<td>54.7</td>
</tr>
<tr>
<td>5 Clerical and administrative workers</td>
<td>54.1</td>
<td>55.6</td>
<td>56.2</td>
<td>56.5</td>
<td>55.6</td>
</tr>
<tr>
<td>6 Sales workers</td>
<td>41.3</td>
<td>41.2</td>
<td>43.2</td>
<td>43.6</td>
<td>43.6</td>
</tr>
<tr>
<td>7 Machinery operators and drivers</td>
<td>55.8</td>
<td>54.2</td>
<td>57.0</td>
<td>56.1</td>
<td>55.9</td>
</tr>
<tr>
<td>8 Labourers</td>
<td>48.3</td>
<td>46.4</td>
<td>47.7</td>
<td>48.5</td>
<td>49.5</td>
</tr>
<tr>
<td>Total</td>
<td>49.4</td>
<td>50.0</td>
<td>51.8</td>
<td>52.1</td>
<td>52.0</td>
</tr>
</tbody>
</table>

Note: Year of commencement given. Completions where duration of training is unknown are excluded from the calculation of proportions.

Table 6.6: Contract attrition rates by occupation for contracts commenced 2002–2006 (per cent)

<table>
<thead>
<tr>
<th>Occupation</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Managers</td>
<td>47.6</td>
<td>44.6</td>
<td>40.9</td>
<td>40.6</td>
<td>38.5</td>
</tr>
<tr>
<td>2 Professionals</td>
<td>37.0</td>
<td>35.0</td>
<td>32.3</td>
<td>33.4</td>
<td>32.2</td>
</tr>
<tr>
<td>4 Community and personal service workers</td>
<td>42.4</td>
<td>40.3</td>
<td>39.7</td>
<td>39.4</td>
<td>38.9</td>
</tr>
<tr>
<td>5 Clerical and administrative workers</td>
<td>37.6</td>
<td>36.6</td>
<td>36.3</td>
<td>36.3</td>
<td>36.2</td>
</tr>
<tr>
<td>6 Sales workers</td>
<td>49.2</td>
<td>49.4</td>
<td>48.9</td>
<td>48.1</td>
<td>46.8</td>
</tr>
<tr>
<td>7 Machinery operators and drivers</td>
<td>36.2</td>
<td>38.4</td>
<td>37.2</td>
<td>38.0</td>
<td>36.3</td>
</tr>
<tr>
<td>8 Labourers</td>
<td>44.7</td>
<td>44.3</td>
<td>46.6</td>
<td>46.0</td>
<td>44.7</td>
</tr>
<tr>
<td>Total</td>
<td>42.4</td>
<td>41.8</td>
<td>41.5</td>
<td>41.2</td>
<td>40.2</td>
</tr>
</tbody>
</table>

Note: Year of commencement given. Completions where duration of training is unknown are excluded from the calculation of proportions.

6.5.3 Industry

Analysing trainees by industry is useful given that modern awards are largely set according to industry (see Chapter 3 for further discussion).

NCVER data collected for trainees at the industry level began only in 2002 and the analysis is performed at the one-digit level. As the industry of a relatively large proportion of trainees was unknown in 2002, the analysis begins from 2003 (see Appendix 21 for detailed tables of trainees by industry).

Industries with a relatively high proportion of award reliance\(^{721}\) had the highest number of trainee commencements.

Accommodation (34.468) had the highest number of commencements in the 12 months ending 31 December 2009, followed by Retail trade (24.167) and Health care and social assistance (21.482). Manufacturing had the highest number of commencements in 2003, yet declined between 2003 and 2009, while there were increases in Health care and social assistance. While the number of commencements fell across most industries, Mining (26 per cent) and Arts and recreation services (19 per cent) had the highest average annual growth rates between 2003 and 2009, although from relatively low bases.

Chart 6.14: Number of commencements by industry, 12 months ending 31 December 2009

Completions were highest in Accommodation (16.397); Manufacturing (14.258); Retail trade (13.284); Health care and social assistance (12.919); and Administrative and support services (11.605), with these five industries accounting for over 60 per cent of all completions.

Most industries experienced an increase in completions between 2003 and 2009, particularly in Accommodation, where the number of completions increased by an annual average of 9 per cent. However, industries with a smaller base, such as Arts and recreation services (21 per cent) and Mining (19 per cent), had the highest average annual growth over the period.

Chart 6.15: Number of completions by industry, 12 months ending 31 December 2009

Source: NCVER, National Apprentice and Trainee Collection, no. 65, September 2010 estimates.
Accommodation (14,096); Retail trade (10,566); Administrative and support services (8,800); Manufacturing (8,261) and Health care and social assistance (6,898) had the highest numbers of attrition occurrences in the 12 months ending 31 December 2009, comprising around two-thirds of attrition occurrences across all industries.

Between 2003 and 2009, attrition decreased across most industries. This was particularly evident in Construction and Wholesale trade, where average annual growth rates declined by 15 per cent and 14 per cent, respectively.

**Chart 6.16: Number of attrition occurrences by industry, 12 months ending 31 December 2009**

Accommodation, Retail trade, Administrative and support services, Manufacturing, Health care and social assistance, Transport, postal and warehousing, Other services, Public administration and safety, Information media and telecommunication, Wholesale trade, Construction, Financial and insurance services, Education and training, Professional, scientific and technical services, Rental, hiring and real estate services, Agriculture, forestry and fishing, Arts and recreation services, Electricity, gas, water and waste services, Mining.

Source: NCVER, National Apprentice and Trainee Collection, no. 65, September 2010 estimates.

Accommodation (34,470); Retail trade (27,991); Health care and social assistance (25,632); and Manufacturing (23,993) accounted for over 50 per cent of all trainees in-training as at 31 December 2009. ABS data also estimated that these industries had the highest number of trainees. However, it lists Health care and social assistance (9,200) as the industry with the most number of trainees, followed by Public administration and safety (5,800); Retail trade (5,500); and Manufacturing (4,800). Unfortunately, all ABS trainee estimates by industry are somewhat unreliable due to their high relative standard errors.

Accommodation; Retail trade; Health care and social assistance and Manufacturing consistently had the highest number of trainees in-training between 2003 and 2009, and for most years, these industries accounted for over 50 per cent of all trainees (Appendix 21). In 2003, Manufacturing had the highest number of trainees in-training (36,743 trainees). However, trainees in Manufacturing decreased between 2003 and 2009 by an average of 7 per cent per year. In contrast, the number of trainees increased in Health and social assistance by 5 per cent per year over the same period.

The number of trainees in-training fell across most industries between 2003 and 2009. Mining (23 per cent) and Arts and recreation services (16 per cent), had the highest average annual growth rates over the period, though from relatively low bases.
6.5.4 Age

Trainee commencements were somewhat weighted towards the younger ages in the 12 months ending 31 December 2009. Around one-third of trainee commencements were aged 20 years and under, with 18 years (14,936), 19 years (11,452) and 16 years (10,433) the most common ages.

Completions mirrored the patterns of commencements, with around 30 per cent of completions occurring for trainees aged 20 years and under in 2009. The most common ages to complete a traineeship were 19 years (8,117), 18 years (7,142) and 17 years (6,871).

As well, over one-third of attrition occurred for trainees aged 20 years and under, with 18 years (5,745), 19 years (5,684), 17 years (4,324) and 20 years (4,278) the most common ages.
While average annual growth in commencements was relatively high for 14, 15 and 16-year-olds, growth was higher for the older ages than for the younger ages over the 10 years to the 12 months ending 31 December 2009, although generally growing from a lower base (Chart 6.19). While annual average growth was negative for 17-year-olds, this was mainly due to a fall in the 12 months ending 31 December 2009.

Chart 6.19: Average annual growth rate of commencements by age, 12 months ending 31 December 1999–2009

Source: NCVER, National Apprentice and Trainee Collection, no. 65, September 2010 estimates.

Around 51 per cent (110,710) of all trainees in-training were aged 29 years and under as at 31 December 2009, with around a quarter aged 20 years and under. The highest numbers of trainees in-training were those aged 19 years (12,607), 18 years (10,725) and 20 years (10,269) (Chart 6.20). ABS data also showed that most trainees were aged 29 years and under and that 19 years had the highest number of trainees. However, its estimates of trainee numbers varied compared with the NCVER data; for example, ABS data showed that there were 28,800 trainees (65 per cent) who were aged 29 years and under.

Chart 6.20: Number of trainees in-training by age, 12 months ending 31 December 2009

Source: NCVER, National Apprentice and Trainee Collection, no. 65, September 2010 estimates.

Adult trainees are chiefly defined by modern awards to refer to persons who are 21 years of age or over at the
time of entering into the contract of training in a specified trade. For this reason and for statistical purposes, ‘adult trainees’ will refer to trainees aged 21 and over and ‘junior trainees’ will refer to trainees aged 20 and under.

While there were more adults than juniors commencing a traineeship over the 10 years to the 12 months ending 31 December 2009, the average annual growth rate for adults (4 per cent) was also higher than for juniors (2 per cent). Commencements peaked in 2003 for both adult (140,450) and junior (72,420) trainees.

Chart 6.21: Number of commencements by adult and junior, 12 months ending 31 December, 1999–2009

Source: NCVER, National Apprentice and Trainee Collection, no. 65, September 2010 estimates.

Chart 6.22 shows the number of adult commencements by occupation. Since 2000, Clerical and administrative workers had the most number of adult commencements, increasing relatively strongly over the 10 years to the 12 months ending 31 December 2009. There was also a relatively strong increase in Managers, especially from 2007, though from a relatively low base. Community and personal service workers and Machinery operators and drivers also had relatively high numbers of adult commencements over the period.

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722 See for example, Building, Engineering and Civil Construction Industry General On-site Award 2010 (MA000020) [Fed], clause 3.
Sales workers consistently had the highest number of junior commencements over the 10 years to the 12 months ending 31 December 2009. The highest average annual growth over the period occurred in Community and personal services workers (6 per cent). Compared with adults, Machinery operators and drivers had a relatively low number of commencements.
6.5.5 Gender

This section identifies the gender breakdown across the categories so far discussed in this chapter. Across most of these indicators, the trends between the genders have been relatively similar. However, the distribution of trainee commencements between males and females differed over the 10 years to the 12 months ending 31 December 2009. From 2001 to 2009, there were more females commencing traineeships than males (Chart 6.25). The difference in commencements between the genders was largest in 2009.

Chart 6.24: Number of commencements by gender, 12 months ending 31 December, 1999–2009

![Graph showing number of commencements by gender, 1999-2009]

Source: NCVER, National Apprentice and Trainee Collection, no. 65, September 2010 estimates.

The number of completions was consistently higher among females than males over the 10 years to the 12 months ending 31 December 2009. While the trends were relatively consistent between the genders from 1999 to 2006, between 2007 and 2009 the number of completions increased by around 9 per cent for females, but remained relatively stable for males.

Chart 6.25: Number of completions by gender, 12 months ending 31 December, 1999–2009

![Graph showing number of completions by gender, 1999-2009]

Source: NCVER, National Apprentice and Trainee Collection, no. 65, September 2010 estimates.
The number of attrition occurrences were higher for male trainees than for females between 1999 and 2005, while the growth rates were around 10 per cent for males and 9 per cent for females over this period. Attrition fell faster for males (−6 per cent) between 2005 and 2009 than for females (−2 per cent) (Chart 6.27).

As Chart 6.28 shows, the increase in the proportion of female trainees in-training occurred because the number of males in-training fell at a greater rate than for females after 2003. Yet between 2007 and 2009, growth in female trainees in-training outpaced that of males. As at 31 December 2009, more than 53 per cent of trainees in-training were female (115,418 trainees). Similarly, ABS data estimated around 55 per cent of trainees were female in May 2009.
Among the occupation groups, female trainee commencements comprised a majority in four of the seven occupation groups in 1999 and 2009 (Chart 6.28). The biggest change occurred in Managers, where around 30 per cent of trainees were female in 1999 and around 71 per cent in 2009, the highest proportion of all the occupations.723 The change in the proportion of females in Professionals was negative, however, falling from 61 per cent in 1999 to 40 per cent in 2009. The majority of trainees in Community and personal service workers (71 per cent in 2009); Clerical and administrative workers (64 per cent); and Sales workers (62 per cent), the occupations with a relatively high number of trainees, were female. In contrast, the remaining occupations had relatively higher proportions of males.

Chart 6.28: Proportion of female trainee commencements by occupation, 12 months ending 31 December 1999 compared with 12 months ending 31 December 2009

Source: NCVER, National Apprentice and Trainee Collection, no. 65, September 2010 estimates.

Over the period from 2003 to the 12 months ending 31 December 2009, almost half of all industries experienced an increase in their proportion of female trainee commencements. In 2009 the number of industries with a majority of female trainee commencements was more than with the number of industries with a majority of males (11 compared with eight).

Health care and social assistance (88 per cent); Financial and insurance services (74 per cent); Professional, scientific and technical services (69 per cent); and Education and training (65 per cent) had the highest proportion of female trainee commencements in 2009. Mining (12 per cent); Transport, postal and warehousing (25 per cent); and Electricity, gas, water and waste services (27 per cent) had the lowest proportions of female trainees in 2009.

The greatest change in proportion of female trainee commencements occurred in Other services, where 42 per cent of trainees were female in 2003 and 59 per cent 2009. Relatively high falls in the proportion of female trainees occurred in Education and training, where the proportion of female trainee commencements fell from 80 per cent in 2003 to 65 per cent 2009.

723 The average annual growth rate in female trainees in the Managers occupation over the 10 years to the 12 months to 31 December 2009 was around 19 per cent compared with –0.6 per cent for males.
While there was a higher proportion of female trainee commencements than for males in the 12 months ending 31 December 2009, there were particularly more female than male trainee commencements aged 25 years and under than for older ages (Chart 6.31). The ages between 25 and 39 had a higher number of male trainee commencements. The largest difference between males and females is at age 18 years, where there were almost twice as many female trainee commencements as males.

Over the 10 years to the 12 months ending 31 December 2009, junior trainee commencements were more likely to be female, while adult trainee commencements were more likely to be male. However, in 2009, the number of adult female trainee commencements was higher than for adult males, while the difference between the number of male and female junior trainees was at its highest in 2008 and 2009 (Chart 6.31).
6.5.6 Part-time trainees

As outlined in Chapter 1, part-time trainees were introduced as part of the Australian Government’s ‘New Apprenticeships’ scheme in 1998.

Commencements were higher for full-time trainees than part-time trainees, though the difference between the two narrowed over the 10 years to the 12 months ending 31 December 2009. Part-time commencements doubled between 1999 and 2002 and grew by an average rate of 8 per cent over the 10 years to 12 months ending 31 December 2009, compared with 0.8 per cent for full-time trainees.

While the number of full-time completions was higher over the 10 years to the 12 months ending 31 December
2009, the number of part-time completions increased between 2007 and 2009, while the number of full-time completions fell. Full-time completions grew by an annual average rate of 13 per cent between 1999 and 2004 and part-time completions increased by around 35 per cent per year over the same period. Between 2004 and 2009, full-time completions fell by an average –0.1 per cent per year and part-time completions increased by an annual average of 4 per cent, mostly from 2007.

**Chart 6.33: Number of completions by full-time and part-time, 12 months ending 31 December, 1999–2009**

Source: NCVER, National Apprentice and Trainee Collection, no. 65, September 2010 estimates.

Attrition occurrences increased for part-time trainees between the 12 months ending 31 December 1999 and the 12 months ending 31 December 2009 and fell for full-time trainees. There were more attrition occurrences among full-time than part-time trainees and the trends for each were similar. Attrition occurrences for full-time trainees increased between 1999 and 2004 then fell to 2009. Growth in attrition for part-time trainees was relatively strong between 1999 and 2003 (at an annual average of 32 per cent) before falling between 2003 and 2009.
Though NCVER data show that most trainees in-training were full-time over the 10 years to 31 December 2009, this proportion decreased from around 74 per cent in 1999 to around 62 per cent in 2009 (Chart 6.36). The ABS estimated around 69 per cent of trainees were employed on a full-time basis in 2009.

While commencements in most occupational groups were mainly comprised of full-time trainee commencements, two of the larger occupational groups, Community and personal service workers (66 per cent in 2009) and Sales workers (58 per cent), consisted of mainly part-time trainee commencements. Professionals was the only occupation to reduce its proportion of part-time trainee commencements between 1999 and 2009. The largest average annual increase in part-time trainee commencements over the 10 years to 12 months ending 31 December 2009 was for Managers (24 per cent), although from a relatively low base.
Australian apprentice minimum wages in the national system

Chart 6.36: Proportion of part-time trainee commencements by occupation, 12 months ending 31 December, 1999 and 2009

The majority of industries also had higher proportions of full-time trainees. Industries in which the proportion of part-time apprentices was relatively high in the 12 months ending 31 December 2009 were Accommodation (75 per cent); Arts and recreation services (56 per cent); Health care and social assistance (55 per cent); and Education and training (52 per cent).

The industries in which the proportion of part-time trainee commencements was relatively low was in Mining (4 per cent) and Electricity, gas, water and waste services (6 per cent).

Chart 6.37: Proportion of part-time trainee commencements by industry, 12 months ending 31 December 2003 compared with 12 months ending 31 December 2009

Source: NCVER, National Apprentice and Trainee Collection, no. 65, September 2010 estimates.
Part-time trainee commencements were more common for those aged 17 years and under, with the most common age for part-time trainee commencements being 16 years in the 12 months ending 31 December 2009 (Chart 6.38). Trainees aged 18 years and above were more likely to have commenced full-time, with the most common age for full-time trainee commencements being 18 years.

**Chart 6.38: Number of full-time and part-time trainee commencements by age, 12 months ending 31 December 2009**

Adult trainee commencements were more likely to be full-time while the number of junior part-time trainee commencements was higher than the number of full-time junior trainee commencements in 2008 and 2009. This was the result of both the number of junior part-time trainee commencements increasing and the number of full-time junior trainee commencements decreasing. The average annual growth rate for adult part-time trainee commencements was around 5 per cent over the 10 years to 12 months ending 31 December 2009, outpacing that of adult full-time trainee commencements, for which the average annual growth in the number of commencements grew by 3 per cent.
6.5.7 Previous highest educational attainment

The majority of trainees have senior secondary school as their highest level of education before commencing their traineeship. Year 12 (71,804), Year 10 (42,430) and Year 11 (23,375) were the most popular year levels, accounting for around 60 per cent of all commencements in 2009.

Over the decade to the 12 months ending 31 December 2009, there were greater increases in trainees commencing with a Certificate I level or higher level qualification than with the secondary school education levels, although generally from lower bases. Trainees commencing with a Certificate I or IV level increased by an average of 14 per cent per year and those with a Certificate II level increased by around 12 per cent per year. Trainees commencing with a Bachelor or Higher degree level increased by an average annual rate of 10 per cent. This compares with lower average increases in Year 12 (3 per cent per year), Year 10 and Year 11 (both 1 per cent).

Around 90 per cent of all commencements are represented in Chart 6.40 across the 10 years to the 12 months ending 31 December 2009.
Year 12 and year 10 were the most common levels of previous highest educational attainment across all occupations in the 12 months ending 31 December 2009, except for Managers where Certificate III was the most common, followed by year 12. Clerical and administrative workers had the highest proportion of year 12 trainee commencements (43 per cent) across all occupations.

There was also relatively strong growth in people commencing a traineeship with Certificate IV and Certificate III as their previous highest educational attainment across occupations, particularly with Professionals, Managers and Clerical and administrative workers.

Trainees with year 12, year 11 or year 10 as their previous highest educational attainment were most likely to be employed as Clerical and administrative workers, Community and personal service workers and Sales workers. Over the 10 years to the 12 months ending 31 December to 2009, growth was relatively high for commencements in Clerical and administrative workers for those with these education levels as their previous highest educational attainment.

Those with Certificate III as their highest previous educational attainment were most likely to be employed as Clerical and administrative workers, Community and personal service workers and Managers. Commencement growth for those with Certificate III as their highest previous educational attainment over the decade to 2009 was the highest for trainee Managers.

Those with Year 9 or below as their highest previous educational attainment were most likely to be employed as Sales workers, Labourers and Community and personal service workers. Growth was highest for commencements in Sales workers over the decade to 2009.
6.5.8 School-based trainees

School-based trainees are those undertaking their traineeships while undertaking secondary education. As outlined in Chapter 1, school-based traineeships were introduced as part of the Australian Government’s ‘New Apprenticeships’ scheme in 1998 and the number remains relatively low compared with overall traineeship commencements. School-based traineeships are generally at the Certificate I or II level.\(^{724}\)

The number of school-based trainees that commenced in the 12 months ending 31 December 2009 was 12,203, or 7 per cent of all traineeships. This is considerably higher than in 1999 when there were 2,534 school-based trainees, or 2 per cent of all traineeships (Chart 6.42). This proportion steadily increased throughout the 10 years to the 12 months ending 31 December 2009, particularly between 2002 and 2008, although the number fell by 23 per cent in 2009.

Females comprised around 57 per cent of school-based traineeship commencements in 2009, which is slightly higher than the proportion of females for non school-based traineeships (54 per cent).

Chart 6.41: Number of commencements of school-based and non school-based trainees, 12 months ending 31 December, 1999–2009

The number of school-based trainees was highest in Sales workers (3,903); Community and personal service workers (3,873); and Clerical and administrative workers (2,226) in 2009.

Sales workers (10 per cent), Community and personal service workers (9 per cent) and Labourers (8 per cent) had the highest proportion of school-based trainee commencements as a proportion of all commencements within an occupation in the 12 months ending 31 December 2009. The proportion of school-based trainees in Sales workers peaked in 2007 at around 16 per cent of all commencements.

While there were fewer school-based commencements for Managers and Professionals, the lowest proportion of school-based commencements was in Machinery operators and drivers where 1 per cent of traineeships commenced in that occupation in the 12 months ending 31 December 2009 were school-based.
In the 12 months ending 31 December 2009, most school-based trainees were aged 16 years (41 per cent), 15 years (36 per cent) and 17 years (14 per cent). However, the proportion for each of these ages decreased due to the significant increase in the number of school-based commencements for trainees aged 14, which rose from 0.5 per cent of all school-based commencements in 1999 to 6 per cent in 2009. All of these age groups experienced an increase in school-based traineeship commencements over the decade to 2009, with most of the growth occurring between 2002 and 2008, before declining in 2009.

Chart 6.44: Number of school-based trainee commencements by age, 12 months ending 31 December, 1999–2009

![Chart 6.44: Number of school-based trainee commencements by age, 12 months ending 31 December, 1999–2009](chart)


### 6.6 Summary

This chapter has defined and discussed trends in trainees over a period of 10 years to 31 December 2009. The number of trainee commencements increased between 1999 and 2003 before remaining relatively steady. These trends were evident when the data was disaggregated across different levels.

The number of completions overtook the number of attrition occurrences in 2004 and this gap widened in the years to the 12 months ending 31 December 2009.

Trainees were more commonly located in occupations such as Community and personal service workers; Sales workers; and Clerical and administrative workers. The industries where trainees were more common included Accommodation; Retail trade; Health care and social assistance; and Manufacturing.

While there were more adult than junior trainees, the ages with the most number of trainee commencements were 18 and 19 years.

There were more male than female trainee commencements between 1999 and 2001, then more female than male trainees between 2001 and 2009. While there were more full-time trainee commencements, growth in part-time trainee commencements was higher over the 10 years to the 12 months ending 31 December 2009.
Having secondary school education as a trainee’s previous highest education level was the most common, especially year 12 and year 10. As well, the number and proportion of school-based trainees increased over the ten years to the 12 months ending 31 December 2009.
7 National wage-setting for trainees

This chapter provides a review of modern awards in relation to trainees, including an overview of the development of the National Training Wage (NTW) schedule and its application to employees under modern awards. This is followed by a discussion regarding the adjustment of NTW schedule rates.

7.1 Modern awards and the National Training Wage schedule

The NTW schedule is the principal source for minimum wages for trainees in the national system. It provides access to standard wages for trainees according to their training advancement and educational attainment level across the industries and occupations in the modern awards that have the schedule attached. Though the wage rates for trainees covered by the schedule are fixed regardless of industry or occupation, the relevant employment terms and conditions outlined in each modern award to which the schedule is attached continue to apply.

The schedule, as discussed earlier in Chapter 5, was created during the award modernisation process conducted by the Commission, which commenced in March 2008 (following a request from the Minister under Part 10A of the Workplace Relations (Forward with Fairness) Amendment Act 2008 (Cth)). Following consultations by the Commission with interested parties and industries, the final agreed NTW schedule was made on 4 December 2009. The NTW schedule was to be attached to each relevant modern award where it applied, replacing the former the NTW Award 2000 and a number of federal and state awards relating to trainees (see Appendix 18 for a full list of these awards).

Due to the relatively recent creation of the schedule, it is useful to examine the reasoning behind its creation in order to discuss its operation.

7.1.1 Creation of the NTW schedule

In the early stage of award modernisation, the Commission issued a statement acknowledging that there was 'general agreement that the National Training Wage Award 2000 requires redrafting.' In creating the NTW schedule, the Commission relied on the NTW Award 2000 as a framework.

Two exposure drafts of the NTW schedule were released for comments and submissions by interested parties. The first exposure draft was released on 23 January 2009, and the Commission outlined a number of issues related to the draft. The first issue was ‘whether there should be one, common NTW schedule for all relevant awards or whether there should be some differences on an industry basis.’

If there were different schedules this would permit the inclusion of only the training packages relevant to the particular award and the exclusion of others and other differences on an industry basis. At this stage we favour one, common national training wage schedule. The schedule would include the full range of available training packages and would be included in all modern awards in which relevant training arrangements are possible.
Other issues included the exclusion of special school leavers’ rates of pay, and providing a default wage set at Level B where a training package has not been allocated to a wage level based on skills in the package. The Full Bench stated:

Once the National Training Wage Schedule has been finalised it will be necessary to consider the affect (sic) upon trainee provisions which have already been included in modern awards and, in particular, whether those provisions should remain in the award.

A second exposure draft was released on 25 September 2010. The stakeholders raised a number of common issues relating to both exposure drafts, which can be divided into two categories—broad issues about the general relevance of a separate NTW schedule, and specific issues about what should be included in a NTW schedule.

### 7.1.1.1 Broad Issues

During consultations concerning the NTW, issues were raised about whether the inclusion of a NTW schedule in modern awards was the most appropriate instrument by which to set trainee minimum wages and conditions. Some parties, such as Australian Business Industrial favoured a single NTW Award 2000:

Retaining currency and consistency for NTW provisions would seem more conveniently achieved by a single stand-alone modern award providing NTW provisions.

Group Training Australia instead argued that all modern awards should contain provisions for trainees:

All modern awards in each and every industry should contain provisions relating to the wages ... and conditions of employment for ... trainees. Where an industry or area of employment is “award free” a general award should apply establishing the minimum wages and conditions for apprentices and trainees.

The Construction, Forestry, Mining and Energy Union was of the view that training arrangements that apply in an industry should be inserted in the main body of appropriate modern awards.

The Australian Council of Trade Unions however raised in their submissions that some modern awards did not need the NTW schedule, while in other circumstances training wage arrangements subject to the NTW Award 2000 have not had application across the entire industry:

... training arrangements that have existed in only some of the awards ... within an industry may well find themselves spread right across that industry because of the modernisation process... [This] matter ... needs to be considered on an award by award basis.

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732 'The schedule, like the National Training Wage Award 2000, allocates each training package to Wage Level A, B or C for the purpose of determining the appropriate minimum wage': A IRC, Award Modernisation Statement, [2009] AIRCFB 50 (23 January 2009), para. 15.
737 CFMEU, ‘Submission of the CFMEU (Construction & General Division) in Response to the Statement of the Full Bench on Award Modernisation of 23rd January 2009 ([2009] AIRCFB 50) and the Stage 2 Exposure Drafts Published in Matters AM2008/13-24’, Submission in Award Modernisation—National Training Wage, 13 February 2009, p. 5, para. 2.6.
740 AIRC, Award Modernisation, Transcript of Proceedings, AM2008/24, 21 January 2009, PN270.
The CFMEU expressed concerns that the proposed schedule sought to cover traineeships that the NTW Award 2000 did not cover. A number of organisations, including the ACTU and GTA, also raised concerns that favourable training arrangements in existing awards must be maintained in the schedule.

The Ai Group advocated a ‘single uniform schedule... for each modern award’, and the Australian Government supported of the draft NTW schedule ‘for inclusion in all modern awards’. Although the ACCI supported the NTW schedule applying to each industry modern award, it advocated for ‘a far more simpler (sic) model’ since it felt that the initial draft of the proposed NTW schedule was ‘difficult to understand and follow by practitioners and industry’.

In the Award Modernisation’s Full Bench statement of 23 January 2009, the Commission indicated its preference for ‘one, common national training wage schedule.’

### 7.1.1.2 Specific Issues

Once it was accepted that a schedule would be created (instead of a separate modern award for trainees), parties then considered whether a general schedule should be adapted to meet the requirements of each relevant modern award, or whether there should be a single uniform schedule for all applicable modern awards.

A number of organisations supported the creation of a general schedule that could be adapted to meet the requirements of individual modern awards. The ACTU stated that this proposed schedule should consider ‘the interaction of the NTW schedule and the award’, as well as ‘include the appropriate adaptation of clauses and cross-referencing and the removal of irrelevant qualifications and training packages’. This position was supported by the Financial Sector Union of Australia and the Queensland Council of Unions (QCU). Similarly, the CFMEU stated that ‘tailoring the schedule to the modern award that it appears in would provide the clarity that we say is needed.’

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741 CFMEU, ‘Submission of the CFMEU (Construction & General Division) in Response to the Statement of the Full Bench on Award Modernisation of 23rd January 2009 [2009] AIRCFB 50) and the Stage 2 Exposure Drafts Published in Matters AM2008/13-24’, Submission in Award Modernisation—National Training Wage, 13 February 2009, p. 4, para. 2.4.
743 ‘In accordance with s576T(2) of the Workplace Relations Act 1996 the modern industry awards or the general award for apprentices and trainees should contain transitional provisions protecting superior conditions which may exist in a pre-reform award or NAPSA’. Group Training Australia, ‘Australian Industrial Relations Commission: Award Modernisation Process’, Submission in Award Modernisation—National Training Wage, AM2008/14-23’, 13 February 2009, p. 47, para. 113.
746 ACCI, ‘Award Modernisation Stage II Exposure Drafts’, Submission in Award Modernisation—National Training Wage, AM2008/24, 16 February 2009, p. 12, para. 43.
748 AIRC, ‘Award Modernisation Stage II Exposure Drafts’, Submission in Award Modernisation—National Training Wage, AM2008/14-23, 16 February 2009, p. 9-10, para. 34.
Issues were also raised about what should be included or maintained in the schedule. The first^755 and second^756 exposure drafts provided a default wage pending the allocation of training packages and Australian Qualification’s Framework certificate levels to a wage level. When a training package had not been allocated to a specific wage level within the schedule, the draft schedule included a default minimum wage set at skill Level B.757 A number of organisations supported this inclusion. GTA submitted that:

The default arrangement outlined in the original exposure draft ... provides an interim solution to enable a new or varied traineeship to be temporarily classified while waiting on the formal grading and for the award to be varied upon review.758

ACCI submitted that the default wage was appropriate, to ‘ensure that there are no gaps in the industrial relations system, if there are changes in the training system’759 and that Wage Level B was the appropriate level to set as the default as it was not the most or least expensive wage level.760 Ai Group submitted that the default wage was ‘sensible and pragmatic.’761 The Australian Government also supported the default wage rate.762 However, the ACTU did not support the inclusion:

To include such a wage level implies that any employee undertaking training can be paid a training wage. This is clearly not the case. The inclusion of a default training wage will therefore be misleading.763

Although the ACTU continued to maintain its position, it proposed that if the default wage were included, the schedule should be amended to include a clause that excluded the default wage from applying to ‘qualifications not identified in training packages or to qualifications in training packages which are not identified as appropriate for a traineeship pathway.’765

This amendment, according to the ACTU, was intended to prevent employers applying the NTW schedule’s ‘discounted rates of pay’766 to employees who may be undertaking training at work, but not in a recognised training program:

This amendment will ensure that the schedule is only used for those qualifications in the national training package that are developed for the purpose of occupationally based traineeships—hence reflecting the purpose of the Schedule more accurately.767

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764 The ACTU continued to press its position that there was no need for a default wage level in subsequent submissions to the AIRC. See ACTU, ‘Award Modernisation—Stage 4 Exposure Drafts’, Submission in Award Modernisation—National Training Wage, AM2008/24, 16 October 2009, p. 34, para. 139. Also see ACTU, ‘Award Modernisation Stage 4—Pre-drafting consultation’, Submission in Award Modernisation—National Training Wage, AM2008/24, 24 July 2009, pp. 64-65, para. 213-227.
765 The ACTU proposed that item 3—Coverage of the National Training Wage schedule should be amended by adding the following: ‘3.6 This schedule does not apply to qualifications not identified in training packages or to qualifications in training packages which are not identified as appropriate for a traineeship pathway.’ ACTU, ‘Re: AM2008/24—Award Modernisation—National Training Wage Award’, Submission in Award Modernisation—National Training Wage, AM2008/24, 28 October 2009, p. 1.
The Australian Government submitted that problems could arise with the default wage level mechanism if the schedule was tailored on a modern award by modern award basis:

The operation of the proposed default wage level mechanism is dependent on a common national training wage award. Differences on an industry basis, particularly in relation to the range of training packages included in a schedule, could potentially undermine the effectiveness of the default wage-level mechanism.\[768\]

The initial draft NTW schedule excluded any leave loading for school-based trainees, leading the ACTU to submit that:

... the capacity for a trainee to seek additional payment of 20% in lieu of leave is a legitimate entitlement that should be retained in the award.\[769\]

In response, the second exposure draft provided a school-based trainees' loaded rate of 25 per cent.\[770\]

Issues significant to particular states were also raised, most significantly, the recognition of competency-based training progression by the Queensland Council of Unions\[771\] and the Queensland Department of Education and Training.\[772\]

7.1.2 NTW schedule and changes from the NTW Award 2000

The final NTW schedule published in December 2009 adopted some differing provisions from those was originally contained in the NTW Award 2000. These changes included:

- the appendix to the schedule which allocated traineeships to wage levels was updated from the NTW Award 2000\[773\] with the schedule now providing a default wage rate pending the allocation of training packages and their AQF certificate levels to a wage level.\[774\] In the absence of a default wage rate the other minimum wages in the award would apply to such trainees;\[775\]

- school-based trainees may be paid a loading of 25 per cent \[776\] compared with the 20 per cent which existed under the NTW Award 2000;\[777\]

- the second year wage rate for AQF Certificate Level IV traineeships was extended to cover subsequent years where the traineeship extends beyond two years;\[778\]

- provision has now been made for the year 11 wage rate for school-based traineeships to apply where a school-based traineeship commences before year 11;\[779\]

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768 Australian Government, ‘Submission to the AIRC—Exposure drafts of Stage 2 modern awards’, Submission in Award Modernisation—National Training Wage, AM2008/24, 13 February 2009, p. 6, para. 27.


774 National Training Wage schedule, cl. 5.4; AIRC, Award Modernisation Statement, [2009] AIRCFB 865 (25 September 2009), para. 269; AIRC, Award Modernisation Decision, [2009] AIRCFB 945 (4 December 2009), para. 211.

778 National Training Wage schedule, cl. 5.2 (d); AIRC, Award Modernisation Statement, [2009] AIRCFB 865 (25 September 2009), para. 270.

777 National Training Wage Award 2000 (AP790899) (Fed), cl. 11.7.


779 National Training Wage schedule, 4 December 2009, cl. 5.2 (d); AIRC, Award Modernisation Statement, [2009] AIRCFB 865 (25 September 2009), para.
• weekly school-based trainees’ wage rates have been deleted from the schedule to avoid confusion (the hourly school-based trainees wage rates in the schedule can be used to calculate their weekly wage rates);\textsuperscript{780}

• provisions concerning the commencement and termination of a trainee’s employment have been excluded;\textsuperscript{781}

• time spent by a trainee (other than school-based trainees) in attending any training and assessment associated with the training contract is to be regarded as time worked for the purposes of wage calculation and determining their conditions of employment;\textsuperscript{782} and

• state-based provisions of the schedule will apply only to 31 December 2014 or by further order of Fair Work Australia, whichever is the earlier, due to the operation of the Fair Work Act.\textsuperscript{783}

The Commission did not extend the coverage of the NTW schedule beyond that of the NTW Award 2000. As a result, the ‘schedule does not cover state developed qualifications which have not been endorsed at the national level or other AQF level traineeships’,\textsuperscript{784} nor does it include separate provision for trainees in Queensland.\textsuperscript{785} The Commission also decided that:

\begin{quote}
It has been considered unnecessary to extend the employment conditions in the schedule as sought by some. The employment conditions in the award to which the schedule is attached will apply unless varied by the schedule.\textsuperscript{786}
\end{quote}

A list of the pre-modern awards instruments replaced by the NTW schedule is at Appendix 18.

7.1.3 Modern awards and the National Training Wage schedule

The Commission Full Bench stated during the award modernisation process that ‘the [NTW] schedule would include the full range of available training packages and would be included in all modern awards in which relevant training arrangements are possible,’\textsuperscript{787} further indicating that ‘any proposal for an industry specific provision could be the subject of an application to vary a modern award’.\textsuperscript{788}

As at 1 January 2011, 100 modern awards now have the NTW schedule attached (see Appendix 22). However, not all modern awards had the NTW schedule attached at the commencement of modern awards on 1 January 2010. Only 25 modern awards had the schedule attached at 1 January 2010,\textsuperscript{789} however 73 modern awards

\begin{footnotesize}
\begin{itemize}
\item 788 AIRC, \textit{Award Modernisation Statement}, [2009] AIRCFB 865 (25 September 2009), para.158.
\end{itemize}
\end{footnotesize}
were varied by inserting the NTW schedule in March 2010, following the decision to delay the residual variation process of modern awards to early 2010.790 Since March 2010, two modern awards have been varied to include the NTW schedule.791

Of the 100 modern awards that attach the NTW, there are 23 modern awards that have the NTW schedule attached but, in addition, provide separate trainee wage rates for specific trainee classifications (not provided by the NTW schedule). Of these 23 modern awards, 18 provide for separate ‘trainee’ wage rates from the NTW schedule for trainees. These awards provide separate rates via regular (not junior or training) classifications in the awards which include descriptions of employees described as ‘trainees’ (and therefore provides them with the relevant wage for that classification i.e. not a wage derived from the NTW schedule). An example of this is the Black Coal Mining Industry Award 2010 which defines and provides for trainees as part of descriptions in classifications ‘Group A’ and ‘Group B’.792

Of the 18 modern awards that contain classifications describing ‘trainees’, the range of rates varies from $469.90 per week793 to $724.20 per week.794 The classifications and wages in these modern awards for these ‘trainees’ are often introductory classifications for employees with little or no experience in the occupation or industry, but may also include ‘trainee managers’795 or ‘trainee technicians’.796

Seven of the 23 modern awards with separate rates for trainees and also have the NTW Schedule attached, provide wages and classifications for traineeships that are not part of the regular award classifications as above (so are included in a separate training wage structure). However, like those outlined above, these rates are also provided outside the NTW schedule rates.797

The seven modern awards that provide separate wages and classifications for traineeships (and are outside the NTW schedule) have rates which vary from $362.10 per week798 to $773.80 per week.799 The setting of these rates varies according to ages, stages, year levels, skill levels and hours worked. All modern awards except for the Pharmacy Industry Award 2010 and the Live Performance Award 2010 provide for two to four wage increments per traineeship. The seven modern awards are:

- **Building and Construction General On-site Award 2010** provides for two traineeships: a ‘Civil construction traineeship’ which ranges from Stage 1 at $510.50 per week to Stage 3 at $602.40 per week; and ‘Other traineeships’ which consists of Skill level B at $423.80 and Skill level A at $441.80;

- **Hair and Beauty Industry Award 2010** provides for hairdressing trainees and graduates over three wage increments according to the amount of full-time accredited training starting at $364.98 per week and the final increment is $613.83 per week;
• **Live Performance Award 2010** provides for a training level for Company dancers of between $557.30 and $653.60 per week;

• **Manufacturing and Associated Industries and Occupations Award 2010** provides for two traineeships: a ‘Technical field’ traineeship according to age starting at $362.10 per week for a 17-year-old and finishing at $607.84 per week for a 20-year-old; and ‘Trainee engineer/trainee scientist’ traineeship also according to age starting at $395.67 per week for a 17-year-old and up to $738.07 for a 20-year-old;

• **Pharmacy Industry Award 2010** provides for a ‘500 hour student’ which consists of one wage level of $360.20 per week, this is a transitional clause and applies only to employers in Western Australia during the transitional period until 1 July 2012;\(^{800}\)

• **Registered and Licensed Clubs Award 2010** provides for ‘Management trainees’ over four year levels and starts at $696.42 per week and finishes at $773.80 per week, this traineeship is linked to the AQF; and

• **Vehicle Manufacturing, Repair, Services and Retail Award 2010** provides for ‘trainee’ drafting, planning and technical employees according to age starting at $359.36 per week for a 17 year old and finishing at $607.84 per week for a 20-year-old.

Six modern awards do not have the NTW schedule attached but, like the 18 modern awards listed above, contain classifications whose descriptions include types of employees described by the classifications to be ‘trainees’:

• **Airline Operations—Ground Staff Award 2010**;

• **Ambulance and Patient Transport Industry Award 2010**;

• **Banking, Finance and Insurance Award 2010**;

• **Book Industry Award 2010**;

• **Market and Social Research Award 2010**; and

• **Surveying Award 2010**.

These six awards contain rates ranging from $597.14 per week\(^ {801} \) to $736.30 per week.\(^ {802} \) The classifications and rates in the modern awards are usually introductory classifications for employees with little experience, however, the **Surveying Award 2010** includes ‘trainee technicians’ and these employees are paid at the top of the range listed.\(^ {803} \)

Though the majority of modern awards now have the NTW schedule attached, as at 1 January 2011, there were 22 modern awards out of 122 that did not contain the NTW schedule (see Appendix 22). Some parties argue that some modern awards which do not have the schedule attached do have trainees operating in these industries/occupations. In a recent submission by GTA to the Fair Work Australia Full Bench for the termination of modernisable instruments (AM2010/53), GTA identified the following six modern awards which ‘cover industries and occupations that traditionally engage trainees but do not contain the NTW schedule’\(^ {804} \):

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\(^{800}\) Note: ‘500 hour students’ are considered trainees, Pharmacy Industry Award 2010 (MA000012) [Fed], item A.10.3.

\(^{801}\) Market and Social Research Award 2010 (MA000030) [Fed], cl. 14.

\(^{802}\) Book Industry Award 2010 (MA000078) [Fed], cl. 13.4.

\(^{803}\) Surveying Award 2010 (MA000066) [Fed], cl. 15.

• Airline Operations—Ground Staff Award 2010;
• Banking, Finance and Insurance Award 2010;
• Nurses Award 2010;
• Social, Community, Home Care and Disability Services Industry Award 2010;
• Surveying Award 2010; and
• Telecommunications Services Award 2010.805

GTA in its submission recommended that the NTW Award 2000 (as an award-based transitional award) and various state training wage NAPSAs and APCS’s (as modernisable instruments) should not be terminated unless the coverage of the above modern awards is varied to include the NTW schedule.806

7.1.4 Summary

The NTW schedule was created to be attached to relevant modern awards. After consultations with stakeholders throughout the award modernisation process, provisions were added to, deleted from or modified in the NTW schedule, which made it different from the NTW Award 2000 that it replaced. Most significantly, it increased the school-based trainees’ loading from 20 per cent to 25 per cent, extended the AQF Certificate Level IV wage rate to cover traineeships that extend beyond two years, and ensured that time spent by a trainee in training is to be regarded as time worked for the purposes of wage calculation and determining employment conditions.

Currently, out of a total of 122 modern awards, the NTW schedule is attached to 100 modern awards. Of the 22 awards that do not contain the NTW schedule, six contain provisions for trainee classifications.

7.2 Adjustment of the National Training Wage schedule

7.2.1 Historical creation of wage structures and the adjustment of wages in the NTW Award 2000

The NTW Award 1994 established three wage levels, namely Wage Level A, B and C. In terms of the actual figures set between the different wage levels, the ACTU notes that:

[t]he 1994 agreement put in place training rates for adult trainees based on 80 per cent of the key award base rates determined in the 1989 national wage case..., and they were set for the three wage levels at 80 per cent of the trades, the semi skilled and the base skill levels.807

805 Telecommunications Services Award 2010 (MA000041) [Fed]. As mentioned earlier, this has since been varied to include the National Training Wage schedule. See AM2010/235, application by the Australian Industry Group for the variation of the Telecommunications Services Award 2010.


807 AIRC, Award Modernisation—Stage 4, Transcript of Proceedings, AM2008/13 and others, 23 February 2009, PN187 (M Bissett).
The ‘key award base rates’ referred to the rates found in common awards, including the Metal, Engineering and Associated Industries Award 1998.808 This method was decided upon as it was determined that traineeships should have a ‘close relativity’ with the industry rates of pay to ensure that they were a ‘feasible financial alternative for employers’.809

Under the NTW wage structure agreed to as part of the NTW Award 1994, AQF Certificate Level I–III traineeships were allocated to one of the three wage levels.810

The allocation of traineeships to a specific traineeship wage level gave consideration to the level of wages in the parent award regulating the type of work in which the trainee is employed. GTA provided the following example of this allocation with reference to Wage Level C:

... in a low paid industry sector such as hospitality, traineeships are allocated to skill level C which provide the lowest rates of pay.811

The different rates of pay within the wage levels permitted the relativities to be set between trainees and other employees in that industry sector.812

Rates of pay within Wage Level A, B and C were set on the level of qualification in the training package, the highest year of schooling completed by the trainee and the number of years the trainee had been out of school. These further differentiators recognised the value of work and general ‘life skills’.813

Tables 7.1 and 7.2 below outline the original rates as set in the NTW Award 1994 in September 1994 and the relativities between the wage levels and relativities within the wage levels.

Table 7.1: National Training Wage Award 1994—Wage relativities between Wage Levels A, B and C based on original 1994 rates of pay

<table>
<thead>
<tr>
<th>Rate of pay</th>
<th>Wage Level A: $ weekly wage</th>
<th>Wage Level B: $ weekly wage (% of A)</th>
<th>Wage Level C: $ weekly wage (% of A)</th>
</tr>
</thead>
<tbody>
<tr>
<td>School leaver (50%)</td>
<td>125</td>
<td>125 (100%)</td>
<td>125 (100%)</td>
</tr>
<tr>
<td>School leaver (33%)</td>
<td>146</td>
<td>146 (100%)</td>
<td>146 (100%)</td>
</tr>
<tr>
<td>Plus 1 year out of school</td>
<td>175</td>
<td>175 (100%)</td>
<td>175 (100%)</td>
</tr>
<tr>
<td>Plus 2 years out of school</td>
<td>215</td>
<td>205 (95.3%)</td>
<td>190 (88.4%)</td>
</tr>
<tr>
<td>Plus 3 years out of school</td>
<td>250</td>
<td>235 (94.0%)</td>
<td>215 (86.0%)</td>
</tr>
<tr>
<td>Plus 4 years out of school</td>
<td>290</td>
<td>275 (94.8%)</td>
<td>240 (82.8%)</td>
</tr>
<tr>
<td>Plus 5 or more years out of school</td>
<td>333</td>
<td>315 (94.6%)</td>
<td>270 (81.1%)</td>
</tr>
</tbody>
</table>


810 This allocation appears in the Appendix to the National Training Wage schedule and is based on the training package and the AQF certificate level. See National Training Wage schedule, Appendix: Allocation of Traineeships to Wage Levels.


Table 7.2: National Training Wage Award 1994—Wage relativities within Wage Levels A, B and C based on original 1994 rates of pay

<table>
<thead>
<tr>
<th>Rate of pay</th>
<th>Wage Level A $ weekly wage (% of 5th yr A)</th>
<th>Wage Level B $ weekly wage (% of 5th yr B)</th>
<th>Wage Level C $ weekly wage (% of 5th yr C)</th>
</tr>
</thead>
<tbody>
<tr>
<td>School leaver (50%)</td>
<td>125 (37.5%)</td>
<td>125 (39.7%)</td>
<td>125 (46.3%)</td>
</tr>
<tr>
<td>School leaver (33%)</td>
<td>146 (43.8%)</td>
<td>146 (46.3%)</td>
<td>146 (54.1%)</td>
</tr>
<tr>
<td>Plus 1 year out of school</td>
<td>175 (52.6%)</td>
<td>175 (55.6%)</td>
<td>175 (64.8%)</td>
</tr>
<tr>
<td>Plus 2 years out of school</td>
<td>215 (64.6%)</td>
<td>205 (65.1%)</td>
<td>190 (70.4%)</td>
</tr>
<tr>
<td>Plus 3 years out of school</td>
<td>250 (75.1%)</td>
<td>235 (74.6%)</td>
<td>215 (79.6%)</td>
</tr>
<tr>
<td>Plus 4 years out of school</td>
<td>290 (87.1%)</td>
<td>275 (87.3%)</td>
<td>240 (88.9%)</td>
</tr>
<tr>
<td>Plus 5 or more years out of school</td>
<td>333 (100%)</td>
<td>315 (100%)</td>
<td>270 (100%)</td>
</tr>
</tbody>
</table>


During the creation of the NTW Award 2000, Mr Stewart, appearing on behalf of the Minister for Employment, Workplace Relations and Small Business, discussed the effect of relativities on skill formation for trainees:

... inappropiate relativities... can have very serious implications for skill formation. They can result in an under-provision of training places in an industry to the detriment of prospective trainees and the industry as a whole.814

Mr Stewart also further commented that the competition between the NTW Award 2000 Wage Levels, and hence inter-wage level relativities, was a relevant factor in adjusting and reviewing the NTW Award 2000, stating that:

... care must be taken to ensure that relativities between levels of traineeships do not favour the employment of lower-level trainees...815

In 2006, the Commission considered a rationalisation strategy of awards. In a number of submissions, notably from the Australian Government, it was cautioned that any move away from the established method of adjusting the NTW Award 2000, which changed the wage relativities between trainees and those that they compete with for jobs, could act as a financial disincentive to employ trainees and be ‘detrimental to their competitiveness within the labour market’.816

7.2.1.1 Adjusting the National Training Wage Award 2000

Wages in the NTW Award 2000 were adjusted by the Commission using the same historic method for each Safety Net Adjustment since the award was created.817

The formula is outlined in the transcript to proceedings in the ‘Application by the Shop, Distributive and Allied Employees Association to vary the NTW Award 2000 re the Safety Net Review—Wages May 2003 Decision’.818 (The full extract has been reproduced in Appendix 23) The historic method for adjusting the basic periodic rates of pay for full-time trainees819 under the NTW Award 2000 involved a three-step procedure, which can be summarised as follows:

817 AIRC, National Training Wage Award 2000, Transcript of Proceedings, C2001/252 and others, 6 July 2001, PN24 (M Gaynor); see Appendix 23.
818 Application by the Shop, Distributive and Allied Employees Association to vary the NTW Award 2000 re the Safety Net Review—Wages May 2003 Decision National Training Wage Award 2000, Transcript of Proceedings, 2 July 2003, C2003/2533. The full extract has been reproduced in Appendix 23.
819 Part-time trainees and Cert IV trainees’ wages are calculated in reference to the rates given by this procedure.
• the top basic periodic rate of pay (‘Plus 5 or more years’) for Wage Levels A, B and C is increased by 80 per cent of the increase applied to the full adult minimum wage;

• all other basic periodic rates of pay are increased by an amount that maintains their relativity to the top basic periodic rate of pay in their wage level (A, B and C); and

• an exception to the second step applies to the lowest basic periodic rate of pay (‘School leaver’) for Wage Levels A and C, where their adjustment is such that the increase maintains their relativity to the top rate of pay in Wage Level B.

This method of adjustment has ‘always been agreed by the parties as [the] correct basis’ to update the award and has been approved and utilised by the Commission since 1994.

When the minimum wage rates in the NTW Award 2000 were converted into a preserved APCS as a result of the enactment of the Work Choices Act in 2006, the AFPC (then empowered to adjust minimum wage rates in the federal system) noted that the method to be used in adjusting the preserved APCS should be derived from the method outlined in the transcript of the application to vary the NTW Award 2000 for the 2003 Safety Net Review. It published the adjusted rates using this method in its decisions from 2006 to 2008.

On 1 January 2010 the NTW schedule commenced operation with the commencement of modern awards. As the NTW schedule contains wage rates, it was subject to the wage adjustments to modern awards from the Annual Wage Review 2009–10 Decision. For wages for employees to whom training wages apply that were expressed in dollar terms (such as the NTW schedule), the Panel decided that a ‘proportionate adjustment’ of the full adult rate should be applied. The NTW schedule was increased in accordance with the same three-step procedure that applied to the NTW Award 2000.

7.2.1.2 Modern awards and the National Training Wage schedule

Table 7.3 and 7.4 below show a comparison between the original rates in the NTW Award 1994 and the NTW schedule rates after incorporation of the Annual Wage Review 2009–10 Decision. Table 7.3 shows the relativities between the wage levels, and Table 7.4 shows the relativities within each Wage Level.

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820 Where specific basic periodic rates of pay are referred to in this section, they are those that apply to a trainee whose highest level of school completed is year 10.
### Table 7.3: National Training Wage Award 1994 compared to National Training Wage schedule after 2009–10 Annual Wage Review—rates of pay comparison between Wage Levels A, B and C

<table>
<thead>
<tr>
<th>Rate of pay</th>
<th>Wage Level A</th>
<th>Wage Level B</th>
<th>Wage Level C</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>NTW Award 1994—original rates</td>
<td>NTW schedule (with AWR 2009–10 adjustment)</td>
<td>NTW Award 1994—original rates</td>
</tr>
<tr>
<td></td>
<td>$ weekly wage</td>
<td>$ weekly wage (% of A 1994)</td>
<td>$ weekly wage (% of A 2009–10)</td>
</tr>
<tr>
<td>School leaver (50%)</td>
<td>125</td>
<td>125 (100%)</td>
<td>-</td>
</tr>
<tr>
<td>School leaver (33%)</td>
<td>146</td>
<td>146 (100%)</td>
<td>-</td>
</tr>
<tr>
<td>School leaver</td>
<td>-</td>
<td>256 (100%)</td>
<td>-</td>
</tr>
<tr>
<td>Plus 1 year out of school</td>
<td>175</td>
<td>175 (100%)</td>
<td>282 (100%)</td>
</tr>
<tr>
<td>Plus 2 years out of school</td>
<td>215</td>
<td>205 (95.3%)</td>
<td>327 (97.3%)</td>
</tr>
<tr>
<td>Plus 3 years out of school</td>
<td>250</td>
<td>235 (94.0%)</td>
<td>376 (96.2%)</td>
</tr>
<tr>
<td>Plus 4 years out of school</td>
<td>290</td>
<td>275 (94.8%)</td>
<td>441 (96.9%)</td>
</tr>
<tr>
<td>Plus 5 or more years out of school</td>
<td>333</td>
<td>315 (94.6%)</td>
<td>506 (97.1%)</td>
</tr>
<tr>
<td>out of school</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: National Training Wage Interim Award 1994; National Training Wage schedule.
Table 7.4: National Training Wage Award 1994 compared to National Training Wage schedule after 2009–10 Annual Wage Review—rates of pay comparison within Wage Levels A, B and C

<table>
<thead>
<tr>
<th>Rate of pay</th>
<th>Wage Level A</th>
<th>Wage Level B</th>
<th>Wage Level C</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>NTW Award 1994—original rates $ weekly wage</td>
<td>NTW schedule (with AWR 2009–10 adjustment) $ weekly wage (% of A 1994)</td>
<td>NTW schedule (with AWR 2009–10 adjustment) $ weekly wage (% of A 2009–10)</td>
</tr>
<tr>
<td></td>
<td>NTW Award 1994—original rates $ weekly wage</td>
<td>NTW schedule (with AWR 2009–10 adjustment) $ weekly wage (% of A 2009–10)</td>
<td>NTW schedule (with AWR 2009–10 adjustment) $ weekly wage (% of A 2009–10)</td>
</tr>
<tr>
<td>School leaver (50%)</td>
<td>125 (37.5%)</td>
<td>-</td>
<td>125 (39.7%)</td>
</tr>
<tr>
<td>School leaver (33%)</td>
<td>146 (43.8%)</td>
<td>-</td>
<td>146 (46.3%)</td>
</tr>
<tr>
<td>School leaver</td>
<td>-</td>
<td>256 (49.1%)</td>
<td>-</td>
</tr>
<tr>
<td>Plus 1 year out of school</td>
<td>175 (52.6%)</td>
<td>282 (54.1%)</td>
<td>175 (55.6%)</td>
</tr>
<tr>
<td>Plus 2 years out of school</td>
<td>215 (64.6%)</td>
<td>336 (64.5%)</td>
<td>205 (65.1%)</td>
</tr>
<tr>
<td>Plus 3 years out of school</td>
<td>250 (75.1%)</td>
<td>391 (75.1%)</td>
<td>235 (74.6%)</td>
</tr>
<tr>
<td>Plus 4 years out of school</td>
<td>290 (87.1%)</td>
<td>455 (87.3%)</td>
<td>275 (87.3%)</td>
</tr>
<tr>
<td>Plus 5 or more years out of school</td>
<td>333 (100%)</td>
<td>521 (100%)</td>
<td>315 (100%)</td>
</tr>
</tbody>
</table>

Source: National Training Wage Interim Award 1994; National Training Wage schedule.
Note: Differences in relativities within wage levels between 1994 and 2009–10 reflect the effect of rounding, except where the exception has been applied.

In following the adjustment formula over time:

- fifth year out of school weekly wages will always be increased by the same flat dollar amount (80 per cent of the increase to the national minimum wage increase):
  - as a result, fifth year out of school weekly wages will never leapfrog, however the wage relativities will compress over time due to the flat dollar increases; and
  - note a flat dollar increase will occur for fifth year out of school wages as a result of this adjustment formula irrespective of whether a percentage increase or a flat dollar increase is awarded generally.

Second, third and fourth year out of school weekly wages will be adjusted by a percentage of the flat dollar increase provided to fifth year out of school wages that maintains their relativity to the relevant fifth year out of school weekly wage:

- the middle rates of pay receive varying monetary increases in order to maintain their specific intra-wage level relativity, as shown in Table 7.5, which illustrates the increases awarded to the middles rates of pay as a result of the Annual Wage Review 2009–10.\(^{826}\)

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\(^{826}\) Note due to rounding, some of the effects of the disparate inter-wage level relativities have been masked.
– as a result, rates of pay in a lower wage level receive a greater monetary increase than the same rate of pay in a higher wage level; and

– note this will occur irrespective of whether a percentage increase or a flat dollar increase is awarded generally.

### Table 7.5: Annual Wage Review 2009–10 Decision increases to NTW schedule

<table>
<thead>
<tr>
<th>Basic periodic rate of pay</th>
<th>Wage Level A Weekly wage ($ increase)</th>
<th>Wage Level B Weekly wage ($ increase)</th>
<th>Wage Level C Weekly wage ($ increase)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plus 2 years out of school</td>
<td>336 (13.00)</td>
<td>327 (14.00)</td>
<td>327 (15.00)</td>
</tr>
<tr>
<td>Plus 3 years out of school</td>
<td>391 (16.00)</td>
<td>376 (16.00)</td>
<td>368 (17.00)</td>
</tr>
<tr>
<td>Plus 4 years out of school</td>
<td>455 (18.00)</td>
<td>441 (18.00)</td>
<td>411 (19.00)</td>
</tr>
</tbody>
</table>

Source: National Training Wage schedule.

- Historically, when wage rates are equal, as is currently the case for both the ‘School leaver’ and ‘Plus 1 year out of school’ rates of pay, the exception in step three has been applied.

- This has meant that Wage Level B ‘School Leaver’ and ‘Plus 1 year’ have been adjusted to maintain their relativity with the fifth year wage rate, then ‘School leaver’ and ‘Plus 1 year out of school’ have been adjusted to maintain equality with the wage rates in Wage Level B.

In the Plus 2 years out of school bracket, leapfrogging within the NTW schedule has technically already occurred with the application of the Annual Wage Review 2009–10 Decision. Before rounding is applied, a second year out of school trainee would have received $326.51 if employed under Wage Level B, and $326.85 if employed under Wage Level C. As the rates of pay in the NTW schedule are presented to the nearest dollar, both rates are currently at parity ($327.00).\(^{827}\) Future minimum wage adjustments, if applied using the historical adjustment formula, may result in a leapfrog scenario in which a Wage Level C second year out of school trainee receives more remuneration than an equivalent Wage Level B.\(^{828}\)

Whether or not leapfrogging occurs in future years depends in part on how the trainee adjustment formula is applied.

When wage rates reach parity across wage levels, such as the current second year out of school Wage Level B and second year out of school Wage Level C, future Annual Wage Review increases could be applied by:

- adopting the exception that currently applies to ‘School Leaver’ and ‘1st year’ wage rates:

- this would mean that the ‘second year out of school’ Wage Level B would be adjusted to retain its relativity with fifth year out of school Wage Level B and second year out of school Wage Level C would be adjust to remain equal with the second year out of school Wage Level B wage rate.

OR

- adopting the adjustment mechanism identified at step 2 of the agreed adjustment process whereby the second year out of school Wage Level B would be adjusted to retain its relativity with fifth year out of school Wage Level B and the second year out of school Wage Level C would be adjusted to retain its relativity with fifth year out of school Wage Level C:

- this would mean that it would be possible for the second year out of school Wage Level C to overtake, or leapfrog, the second year out of school Wage Level B.

\(^{827}\) See National Training Wage schedule, cl 5.1 (b) and (c) for ‘Plus 2 years out of school’ classification, with a year 10 highest level of schooling completed.

\(^{828}\) See ‘Future Projections’ section below. If the current method of adjustment is applied to a 2010-11 minimum wage increase of $7.90 or more, then ‘Plus 2 years’ rate in Wage Level C will increase to $332, compared to Wage Level B, which will increase to $331. The disproportionate increase of Wage Level C, relative to Wage Level B, will be masked by the effects of rounding for any increase in the minimum wage less than this amount.
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Appendix 2—Further age group analysis—for apprentices

While apprentice commencements remain weighted towards the 20 years and under age group, this has fallen from around 77 per cent in 1999 to 62 per cent in the 12 months ending 2009. This is despite relatively strong increases in the 20 years and under age group between 2001 and 2007 (Chart 1). The fall in the proportion of commencements for the 20 years and under age group was offset by increases for the 25 to 44 years and 45 years and over age groups. The number of commencements in these age groups increased relatively strongly between 2006 and 2009.

Chart 1: Number of apprentice commencements by age group, 12 months ending 31 December 1999–2009

Patterns in trainee commencements were similar across the age groups, increasing between 1999 and 2003 before declining or remaining stable. Trainees aged 25 to 44 years had the highest number of commencements in 2009 (69,864), followed by trainees aged 20 years and under (64,966). The older age groups experienced the larger increases over the decade. As a result, the proportion of commencements has increased for age groups 45 years and over (12 to 18 per cent), which was offset by decreases for age groups 20 years and under (37 to 34 per cent) and 21 to 24 years (15 to 13 per cent).
Chart 2: Number of trainees commencements by age group, 12 months ending 31 December 1999–2009

Source: NCVER, National Apprentice and Trainee Collection, no. 65, September 2010 estimates
Appendix 3—Modern award apprentice rates comparison

Appendix 3 only available in electronic copy on the Fair Work Australia website.

Appendix 4—Overview of industries and apprentice wages against key criteria
Appendix 4 only available in electronic copy on the Fair Work Australia website.
Appendix 5—Comparative schedules from award modernisation

Appendix 5 only available in electronic copy on the Fair Work Australia website.

Appendix 6—Top 5 occupations and 1 industry

Appendix 6 only available in electronic copy on the Fair Work Australia website.

Appendix 7.1—Worked example—discussion

Discussion

As mentioned in the methodology outlined in Chapter 3, there are two approaches taken to determining the apprentice rate of pay under the awards. The first is where the appropriate percentage for the apprentice’s year is applied to a base rate of pay contained in the award. The second approach varies, in that it provides for the percentage to be applied to an aggregate of certain amounts, comprising of the base rate of pay, and at least one allowance such as a special allowance, tool allowance, industry allowance, licence allowance and location allowances.

An example of the first approach is in the Building and Construction Industry (Northern Territory) Award 2002:829

9.1.2 The weekly wage rate for apprentices shall be the undermentioned percentages (or other percentages as may be determined from time to time under the Northern Territory Industries Training Act 1979 or other competent legislation) of the ordinary weekly rate of pay payable, under 5.1—Wage rates, for the trade classification in which the apprentice is employed.830

An example of the second, is in the National Building and Construction Industry Award 2000:831

20.2.1 The minimum ordinary rate of pay to be paid to apprentices shall be in accordance with the percentages as set out below (calculated to the nearest ten cents, less than five cents to be disregarded) applied to the aggregate of the appropriate tradespersons minimum weekly rate prescribed in 18.1.1 and the special allowance prescribed in 18.2 of this award.832

This second approach posed a potential issue for a direct comparative analysis. In respect of allowances, the above award can be contrasted to the Plumbing Trades (Southern States) Construction Award, 1999,833 which makes it clear that the allowances are applied in addition to, and hence not part of, the ‘minimum ordinary rate of pay’:

37.1.1 The minimum ordinary rate of pay to be paid to apprentices will be in accordance with the percentages set out in the table herein applied to the sum of the weekly base rate for a plumber and gasfitter (10.1) and the special allowance (10.8). In addition to these rates the apprentices will receive the full rates of industry allowance (10.5) and tool allowance (10.6).

Clarity in calculating the minimum rate of pay is important under awards, as it affects overall take-home pay amounts and it can be used for calculating penalty rates for certain rates such as overtime or time worked outside ordinary hours. Given that some awards incorporate allowances into the wage provisions for apprentices, while others do not, the comparative spreadsheets forming the data source for the pre-modern award analysis have been prepared excluding allowances (i.e. base rate only). While this approach ignores the fact that certain apprentices may be entitled to greater penalty rates, the approach recognises that there is a distinction between an apprentice’s minimum rate of pay834 and the apprentice’s minimum take-home pay.835 It was not uncommon, particularly in main awards, for allowances to be applied in a different manner between states within the same award. While differences in the application of allowances affect the take-home pay for apprentices, it is outside the scope of this paper and the spreadsheets were prepared on the basis of base rates only.

829 Building and Construction Industry (Northern Territory) Award 2002 [AP812941CRN] [Fed].
831 National Building and Construction Industry Award 2000 [AP790741CRV] [Fed].
832 National Building and Construction Industry Award 2000 [AP790741CRV] [Fed], cl 20.2.1.
833 Plumbing Trades (Southern States) Construction Award, 1999 [AP792355CRV] [Fed].
834 This refers to the percentage applied to the base rate of pay only. This will form a subset of the apprentice’s minimum take home pay. Minimum wages are within the scope of an annual wage review conducted by Fair Work Australia. See Fair Work Act 2009 (Cth), s 285(2).
835 This term refers to the minimum amount of money that an apprentice will take home.
The inclusion of allowances may have a significant impact on the rate of pay for apprentices, both in isolation, but also in comparison to other apprentice pay rates within the award, and those between awards. As an example of the first, the *Building and Construction Industry (ACT) Award, 2002*\(^{836}\) states that the applicable apprentice percentage is to be applied to the appropriate tradespersons minimum weekly rate (defined to include base rate, plus supplementary payment, plus arbitrated safety net, plus tool allowance and, where appropriate, industrial allowance and ACT allowance).\(^{837}\) For a fourth-year apprentice, the difference between the fourth-year apprentice percentage being applied to the base rate only and the minimum weekly rate (that is, inclusive of allowances) is $573.84 (compared to $634.37 which factors in the included amounts).

The inclusion of allowances in apprentice ordinary rates of pay was identified in the following occupation groups within the top five occupations and one industry group: bricklayers, carpenters and joiner; plumbers; and electricians.

There was a further, related, issue concerning the incorporation of allowances into minimum rates of pay. In a handful of awards, the ‘minimum rate of wages for apprentices’ was set at a percentage of the ‘minimum weekly rate’ for a particular classification. The issue arises when this second-mentioned minimum rate of pay includes an allowance. The above analysis is relevant in so far as there is a distinction between minimum wage and minimum take-home pay. Strictly speaking minimum wage consists only of the base rate of pay for a classification, and hence, for the purposes of this section, the allowance has been disaggregated from the minimum rate of the tradesperson, so that the minimum apprentice rate of pay is a reflection of the minimum base rate of pay. As an example, consider the *Building and Construction Industry (Northern Territory) Award 2002*\(^{838}\), which provides that:

9.1.2 The weekly wage rate for apprentices shall be the undermentioned percentages (or other percentages as may be determined from time to time under the Northern Territory Industries Training Act 1979 or other competent legislation) of the ordinary weekly rate of pay payable, under 5.1—Wage rates, for the trade classification in which the apprentice is employed.\(^{839}\)

The wages for various trades are listed in clause 5.1, however under clause 5.3—Tool allowance, it is clear that these wages have already incorporated that allowance.

5.3.1 The following tool allowances for tradespersons are reflected in the relevant rates of pay in clause 5.1— Wage rates\(^{840}\)

In this award, to arrive at the figures used in the comparative schedule, the tool allowance had to be disaggregated from the tradesperson’s minimum wage.

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836 *Building and Construction Industry (ACT) Award, 2002* (AP817145CRA) [Fed].
837 *Building and Construction Industry (Northern Territory) Award 2002* (AP812941CRN) [Fed], cl 5.3.1.
838 *Building and Construction Industry (Northern Territory) Award 2002* (AP812941CRN) [Fed].
840 *Building and Construction Industry (Northern Territory) Award 2002* (AP812941CRN) [Fed], cl 5.3.1.
Worked examples

As an example of the process undertaken in order to arrive at the figures presented in the comparative schedules, the Plumbing Industry (Australian Capital Territory) Award 1999 has been selected for a worked example. It appears in the comparative schedule [Plumbers Federal].

Clause 33—Apprentices is extracted below.

33. APPRENTICES

33.1 Where an employee is apprenticed in employment the rate of wages payable will not be less than the following percentages of the sum of the rates of wages 10.1—Weekly wage, 10.5—Industry allowance and 10.6—Tool allowance where applicable, fixed for a plumber and gasfitter under this award:

<table>
<thead>
<tr>
<th>Four year term</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st year</td>
<td></td>
</tr>
<tr>
<td>1st six months</td>
<td>40</td>
</tr>
<tr>
<td>2nd six months (subject to progress to the satisfaction of the employer)</td>
<td>45</td>
</tr>
<tr>
<td>2nd year</td>
<td>60</td>
</tr>
<tr>
<td>3rd year</td>
<td>75</td>
</tr>
<tr>
<td>4th year</td>
<td>90</td>
</tr>
</tbody>
</table>

Relevantly:

10.1 Weekly wage

10.1.1 Employees of the classifications herein set out, other than apprentices and employees in respect of whom a certificate under section 48 of the Act is in force, will be paid not less than the wages set out opposite each such classification.

<table>
<thead>
<tr>
<th>Classification</th>
<th>Weekly Rate $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plumber and gasfitter</td>
<td>581.54</td>
</tr>
<tr>
<td>Drainer (with licence on building site)</td>
<td>581.54</td>
</tr>
<tr>
<td>Drainer (on building site)</td>
<td>579.24</td>
</tr>
<tr>
<td>Plumber’s labourer</td>
<td>550.04</td>
</tr>
</tbody>
</table>

10.5 Industry allowance

In addition to the weekly wage prescribed in 10.1, employees engaged on construction work (as defined) will be paid an allowance at the rate of $21.70 per week to compensate for the following disabilities of the industry, namely, being subjected to:

- climatic conditions when working in the open on all types of work or on a multi-storey building prior to it being enclosed;
- the physical disadvantages of having to climb stairs or ladders, particularly on multi-storey buildings prior to an elevator being available;
- dust blowing in the wind on building sites;
- sloppy and muddy conditions associated with the initial stages of the erection of a building;
- dirty conditions caused by the use of form oil or from green timber;
- drippings from newly poured concrete;
- the disability of working on all types of scaffolds other than a single plank or a bosun’s chair; and

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841 Plumbing Industry (Australian Capital Territory) Award 1999 (AP792330CRA) [Fed].

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• the lack of usual amenities associated with factory work (e.g. meal rooms, change rooms, lockers, etc.).

10.6 Tool allowance

10.6.1 In addition to the wage rates prescribed in this award a tool allowance of $22.70 per week will be paid to plumbers. For the purposes of this clause, tools means metal pots, mandrills, long dummies, stocks and dies for iron, copper and brass pipes, cutters, tongs, vices, taps and drills, ratchets, files, cramps, caulking tools, hacksaws and blades, welding and brazing outfits (including goggles where necessary), soldering iron 30 ounces or over, stilson wrenches eighteen inches or over, and all shop tools.

Most awards that came into the federal system were current up to 2005, and hence the only commission wage and allowance review increases that needed to be applied were the 2006 ($27.40), 2007 ($10.30) and 2008 ($21.70) increases, which amounts to $59.40. Some awards require the 2003 ($17.00) and 2004 ($19.00) increases to be applied also.

Therefore, increasing the pre-2005 ‘Plumber and gasfitter’ classification to the present 2009 level gives a weekly wage of $640.94. The apprentice percentages applied to this minimum base rate of pay will yield the minimum apprentice rates of pay.

If the apprentice wage provision is followed, then the apprentice percentage needs to be applied to the tool allowance and industry allowance need to be applied, which gives an updated (2009) aggregate weekly rate of $685.34.

Table 1: Apprentice rates in Plumbing Industry (Australian Capital Territory) Award 1999—base rate compared to aggregate rate

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage %</th>
<th>Base rate $640.94</th>
<th>Aggregate rate $685.34</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st 6 months</td>
<td>40</td>
<td>256.38</td>
<td>274.14</td>
<td>17.76</td>
</tr>
<tr>
<td>2nd 6 months</td>
<td>45</td>
<td>288.42</td>
<td>308.40</td>
<td>19.98</td>
</tr>
<tr>
<td>Second year</td>
<td>60</td>
<td>384.56</td>
<td>411.20</td>
<td>26.64</td>
</tr>
<tr>
<td>Third year</td>
<td>75</td>
<td>480.71</td>
<td>514.01</td>
<td>33.30</td>
</tr>
<tr>
<td>Fourth year</td>
<td>90</td>
<td>576.85</td>
<td>616.81</td>
<td>39.96</td>
</tr>
</tbody>
</table>

Note: All monetary amounts expressed in dollars.

As explained above, the lower set of apprentice wages relates to the minimum wage (base rate) component of an apprentice’s take-home pay. The aggregate rate represents either the minimum take-home pay for an apprentice or a subset of the minimum take-home rate of pay.

842 The ‘additional payment’ sub-clause was deleted by AIRC, Plumbing Industry (Victorian Government Departments, Instrumentalities and Public Hospitals) Award 2000, PR936647, 21 August 2003 at para 3.

843 As the apprentice may be in receipt of other allowances not listed in clause 31.1.2.
The National Electrical, Electronic and Communications Contracting Industry Award 1998\(^{844}\) provided,

17.7 Calculation of apprentice wages

17.7.1 Victoria

The minimum rate of wages for apprentices of an electrical mechanic shall be the total of the undermentioned percentages applied to the minimum weekly rate for the classification of Electrical Worker Grade 5, and the A Grade Licence allowance.

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
<th>Base Rate</th>
<th>Special Payment</th>
<th>Minimum Weekly Wage</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Year</td>
<td>40%</td>
<td>532.8</td>
<td>53.2</td>
<td>596</td>
</tr>
<tr>
<td>Second Year</td>
<td>52%</td>
<td>583.3</td>
<td>52</td>
<td>635.3</td>
</tr>
<tr>
<td>Third Year</td>
<td>70%</td>
<td>664.5</td>
<td>50.1</td>
<td>714.6</td>
</tr>
<tr>
<td>Fourth Year</td>
<td>82%</td>
<td>715.3</td>
<td>48.6</td>
<td>763.9</td>
</tr>
</tbody>
</table>

In calculating the apprentice minimum rate of pay the A Grade Licence allowance ($21.00) was disregarded. Further, and contrary to the words of the clause, the base rate was used, instead of the minimum weekly wage for the classification of Electrical Worker Grade 5. The rationale for this is the same as above.

Table 2: Apprentice rates in National Electrical, Electronic and Communications Contracting Industry Award 1998—base rate compared to total rate

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
<th>Base rate $637.60</th>
<th>Total rate $705.60</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>First year</td>
<td>40%</td>
<td>255.04</td>
<td>282.24</td>
<td>27.20</td>
</tr>
<tr>
<td>Second year</td>
<td>52%</td>
<td>331.55</td>
<td>366.91</td>
<td>35.36</td>
</tr>
<tr>
<td>Third year</td>
<td>70%</td>
<td>446.32</td>
<td>493.92</td>
<td>47.60</td>
</tr>
<tr>
<td>Fourth year</td>
<td>82%</td>
<td>522.83</td>
<td>578.59</td>
<td>55.76</td>
</tr>
</tbody>
</table>

\(^{844}\) National Electrical, Electronic and Communications Contracting Industry Award 1998 (AP791396CRV) [Fed].
Appendix 7.2–7.4—Worked example—Plumbing Industry Comparisons

### Appendix 8—Apprentices food trade workers—top percentage comparison

Table 1—Data for chart 3.1: Pre-modern award instruments and Food trades workers, comparison of the final year/stage percentage paid to apprentices

<table>
<thead>
<tr>
<th>Final year %</th>
<th>Number of pay structures</th>
</tr>
</thead>
<tbody>
<tr>
<td>71</td>
<td>1</td>
</tr>
<tr>
<td>75</td>
<td>1</td>
</tr>
<tr>
<td>77</td>
<td>1</td>
</tr>
<tr>
<td>78.58</td>
<td>1</td>
</tr>
<tr>
<td>80</td>
<td>2</td>
</tr>
<tr>
<td>85</td>
<td>5</td>
</tr>
<tr>
<td>85.4</td>
<td>2</td>
</tr>
<tr>
<td>87</td>
<td>1</td>
</tr>
<tr>
<td>87.5</td>
<td>4</td>
</tr>
<tr>
<td>88</td>
<td>27</td>
</tr>
<tr>
<td>90</td>
<td>21</td>
</tr>
<tr>
<td>92.4</td>
<td>1</td>
</tr>
<tr>
<td>95</td>
<td>18</td>
</tr>
<tr>
<td>100</td>
<td>1</td>
</tr>
</tbody>
</table>

Source: Australian Industrial Registry, Award Modernisation Research.
Appendix 9—Apprentices audit spreadsheet

Appendix 10—School-based apprentices audit spreadsheet

Appendix 10 only available in electronic copy on the Fair Work Australia website. 
Appendix 11—QLD state comparison

Appendix 12—QLD Order

Appendix 12 only available in electronic copy on the Fair Work Australia website.  
Appendix 13—Apprentice outline of CBTP and CBWP across states and territories

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Competency-based Wage Progression</th>
<th>Competency-based Training Progression</th>
</tr>
</thead>
<tbody>
<tr>
<td>National</td>
<td>Yes. However, CBWP is only (explicitly) available to those covered by the:</td>
<td>CBTP in the national system is facilitated by the legislation of the particular state or territory in which an employee is covered.</td>
</tr>
<tr>
<td></td>
<td>– Manufacturing and Associated Industries and Occupations Award 2010 (cl. 15.6);</td>
<td></td>
</tr>
<tr>
<td></td>
<td>– Vehicle Manufacturing, Repair, Services and Retail Award 2010 (cl. 35.1 and cl. 49);</td>
<td></td>
</tr>
<tr>
<td></td>
<td>– Graphic Arts, Printing and Publishing Award 2010 (only in relation to adult apprentices, cl. 20.3)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>The Building and Construction General On-site Award 2010 provides for progression through the wage structure based on achievement of competency in accordance with the terms of a NAPSA or an award made under the Workplace Relations Act 1996 (Cth) (cl. 19.7(c), which sunsets on 31 December 2014).</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Three more modern awards, the Food, Beverage and Tobacco Manufacturing Award 2010 (cl. 21.1), Higher Education Industry-General Staff-Award 2010 (item G.4) and the Sugar Industry Award 2010 (cl. 40.4) outlined that apprenticeships can progress in ‘stages’ are not explicit on how progression occurs.</td>
<td></td>
</tr>
<tr>
<td>Vic</td>
<td>Vic has now made a full referral of powers, however some Victorians are still covered by some award-based transitional instruments after the commencement of modern awards (such as those covered by Division 2A state reference transitional awards may not have CBWP coverage).</td>
<td>Yes. Section 5.5.14 of the Education and Training Reform Act 2006 (Vic) allows for early or late completion, depending on the knowledge and skills of the apprentice, as required under the training contract.</td>
</tr>
<tr>
<td>Qld</td>
<td>Yes. For most apprentices covered by the Qld jurisdiction CBWP is available. The Qld jurisdiction has two orders (made by the QRRC) which provide a default entitlement to CBWP. These are the Order—Apprentices’ and Trainees’ Wages and Conditions (excluding certain Queensland Government Entities) 2003 (for private sector employees) and the Order—Apprentices’ and Trainees’, Wages and Conditions (Queensland Government Departments and Certain Government Entities) for government sector employees. Both orders, however do exclude their ability to provide CBWP to some industries such as:</td>
<td>Yes. Section 49 of the Vocational Education, Training and Employment Act 2000 (Qld) allows for the council to decide on the duration (nominal term) of a training contract, and provides that the nominal term of an apprenticeship be different depending on the class of apprenticeship.</td>
</tr>
<tr>
<td></td>
<td>– Plumbers other than Sprinkler pipe fitting apprentices (Schedule 4, cl 4);</td>
<td></td>
</tr>
<tr>
<td></td>
<td>– Bread baking and Pastry cook apprentices (Schedule 8, cl 2.1.1)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>– Electrotechnology industry apprentices (Schedule 22, cl 2.1)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>– Electricity supply tradespersons (Schedule 22, cl 4.3.2)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>– Funeral services (Schedule 23, cl 3.1 and 2.1.5)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>The following Qld state awards also provide for CBWP: Hairdressers’ Industry Award—State 2003 Rubber and Plastic Industry Award—State 2003 These arrangements have been preserved for certain employees by the Fair Work (Transitional Provisions and Consequential Amendments) Regulations 2009</td>
<td></td>
</tr>
<tr>
<td>SA</td>
<td>CBWP is not available to apprentices covered by the SA industrial relations system. For South Australian employees covered by the national system see the information in the national system row.</td>
<td>Yes. Section 49(5) of the Training and Skills Development Act 2008 (SA) provides that the Commission may certify that an apprentice has completed early if satisfied of the competency of the apprentice.</td>
</tr>
<tr>
<td>NSW</td>
<td>CBWP is not available to apprentices covered by the NSW industrial relations system. For employees in NSW covered by the national system see the information in the national system row.</td>
<td>Yes. Section 10(2) of the Apprenticeship and Traineeship Act 2001 (NSW) allows for early or late completion, by providing that the Commissioner or Tribunal may reduce or extend the term of the apprenticeship.</td>
</tr>
<tr>
<td>Jurisdiction</td>
<td>Competency-based Wage Progression</td>
<td>Competency-based Training Progression</td>
</tr>
<tr>
<td>--------------</td>
<td>----------------------------------</td>
<td>---------------------------------------</td>
</tr>
<tr>
<td>Tas</td>
<td>CBWP is not available to apprentices covered by the Tasmanian industrial relations system. For Tasmanian employees covered by the national system, see the information in the national system row.</td>
<td>Yes. Section 40 of the <em>Vocational Education and Training Act 1994</em> (Tas) allows for early or late completion by allowing the Tasmanian Training Agreements Committee to amend or approve amendment of a training contract.</td>
</tr>
<tr>
<td>NT</td>
<td>Section 66 of the <em>Northern Territory Employment and Training Act 1991</em> (NT) provides that the Employment and Training Authority is to set wages based on the level of competence of apprentices. This is subject to any term of an award made under the <em>Workplace Relations Act 1996</em> (Cth). The Workplace Relations Act 1996 (Cth) has since been repealed, and NT apprentices are covered by national awards.</td>
<td>Yes. Section 63(3) of the <em>Northern Territory Employment and Training Act 1991</em> (NT) provides that an RTO must award the qualification as soon as reasonably practicable after an apprentice is assessed as being eligible to be awarded a qualification for attaining the level of competency or skill specified in the training agreement.</td>
</tr>
<tr>
<td>ACT</td>
<td>ACT apprentices are covered by the national system.</td>
<td>Yes. Section 55G of the <em>Training and Tertiary Education Act 2003</em> (ACT) allows for amendment of the training contract between parties with the approval of the chief executive.</td>
</tr>
<tr>
<td>WA</td>
<td>CBWP is not available to apprentices covered by the WA industrial relations system. For Western Australian employees covered by the national system see the information in the national system row.</td>
<td>Yes. Section 60I of the <em>Vocational Education and Training Act 1996</em> (WA) provides that a registered training provider may confer a qualification where, upon assessment of the person, the provider is satisfied that the person has the skills and competency required for the qualification.</td>
</tr>
</tbody>
</table>
Appendix 14—Modern awards—apprentice competency-based training progression and competency-based wage progression comparison

Appendix 14 only available in electronic copy on the Fair Work Australia website.
Appendix 15—Apprentices under state and territory legislation table

Appendix 16.1—Overview of the ‘Australian Apprenticeship’ training contract

<table>
<thead>
<tr>
<th>Main provisions</th>
<th>Australian Apprenticeship/Traineeship Training Contract</th>
</tr>
</thead>
<tbody>
<tr>
<td>Which states have adopted the Australian Apprenticeship/Traineeship Training Contract?</td>
<td>All states and territories have adopted the Australian Apprenticeship/Traineeship Training Contract as the approved form for training contracts.</td>
</tr>
<tr>
<td>Does the contact apply to both trainees and apprentices, or one or the other?</td>
<td>Yes both. As the name suggests, the Australian Apprenticeship/Traineeship Training Contract is designed for both trainees and apprentices. The Australian Training Contract is also designed to apply to trainee apprentices, a type of vocational training existing only in NSW.</td>
</tr>
<tr>
<td>Does it provide for CBWP?</td>
<td>The training contract obligations require an employer to meet all legal requirements including the payment of wages. The training contract does not set out a method for wage progression; rather, obligations related to pay are set by the respective industrial instrument covering the employee (state or federal award, certified agreement or state workplace agreement).</td>
</tr>
<tr>
<td>Does it provide for CBTP?</td>
<td>The contract can only be changed according to the applicable state or territory legislation. There is no explicit recognition of the possibility of CBTP.</td>
</tr>
<tr>
<td>Who determines an apprentice’s competency?</td>
<td>The training contract requires that the employer and employee negotiate a training plan with a Registered Training Organisation (RTO). This training plan will set out when, where, who and how training is provided. It will also specify who assesses the apprentice/trainee.</td>
</tr>
<tr>
<td>What is the link between CBTP and CBWP?</td>
<td>Both matters are left to relevant state or territory legislation and industrial instruments.</td>
</tr>
<tr>
<td>What does it require to a) begin b) maintain and c) end an apprenticeship/traineeship?</td>
<td>The training contract requires that the parties to the agreement choose a RTO and set out a training plan. The training contract also requires both parties to follow that training plan and any relevant state or territory laws (including industrial instruments). The expiry or termination of a contract is to be done according to state or territory laws.</td>
</tr>
<tr>
<td>Does it allow for recognition of prior competencies?</td>
<td>Question 24 of the training contract allows an apprentice to seek credit for past work as an apprentice/trainee or previous qualifications.</td>
</tr>
<tr>
<td>Dispute Resolution Clause</td>
<td>Within the training contract obligations, parties to the contract are encouraged to first attempt to resolve any dispute. If this is unsuccessful, parties are to contact the relevant state or territory Training Authority. Dispute resolution processes set out in state or territory legislation will apply.</td>
</tr>
</tbody>
</table>

---

845 Australian Government, Department of Education, Employment and Workplace Relations, Apprenticeship/Traineeship Training Contract, Commonwealth of Australia, July 2009. This contract is the same as the contract contained in the Vocational Education and Training (General) Regulations 2009 (WA), Schedule sch 1.

846 Australian Government, Department of Education, Employment and Workplace Relations, Apprenticeship/Traineeship Training Contract, Commonwealth of Australia, July 2009, Question 6. This contract is the same as the contract contained in the Vocational Education and Training (General) Regulations 2009 (WA), Schedule sch 1.

847 Australian Government, Department of Education, Employment and Workplace Relations, Apprenticeship/Traineeship Training Contract, Commonwealth of Australia, July 2009, under the section headed ‘Training Contract Obligations’. This contract is the same as the contract contained in the Vocational Education and Training (General) Regulations 2009 (WA), Sch 1.
Appendix 16.2—The apprentice/traineeship training contract

Appendix 17.1—Research design for competency-based wage progression qualitative research

The research was designed to concentrate investigations on the operation of CBWP in practice through the experiences of minimum wage–reliant apprentices and employers subject to CBWP arrangements. Over the research period the scope was broadened to include a small number of apprentice participants subject to CBWP who relied on a minimum wage instrument to determine their wage and wage progressions but were also in receipt of commission and bonus payments or other payments that increased their wages income above the relevant minimum rates.

A comparative group of minimum wage–reliant apprentices subject to time-served wage progression arrangements and employers of minimum wage–reliant apprentices subject to time-served wage progression arrangements was also included in the research. Like the training arrangements of the research participants subject to CBWP arrangements, progression through stages of training for these participants was subject to attainment of competency. However, unlike participants subject to CBWP arrangements, these participants were subject exclusively to time-served wage progression arrangements that allowed for progression through wage levels as time had been served with no reference to training progression.

The research sought to identify similarities and differences of wage progression operation and outcome from the perspective of employer and apprentice participants subject to CBWP and time-served wage progression arrangements. The research explored how forms of advancement through training—including Recognition of Prior Learning (RPL) for prior experience and training, and completion of training for units of competency required for achieving an AQF Certificate III qualification—flowed-on to inform wage-setting under the CBWP and time-served arrangements.

The research also sought to investigate the interaction between vocational training structures and measures and wage-setting determinants contained in industrial instruments. Principally the research sought to examine the operation of CBWP arrangements in which apprentice employees were entitled to advance through wage levels according to competency attainment or by the expiration of time. Experiences of competency assessment were also investigated.

The research further sought to explore how the forms of advancement through apprenticeships—and principally how progression through apprentice wage levels—influenced views of CBWP or time-served models of wage progression.

The research examined employer and employee participant experiences of CBWP—it did not examine views on the level of apprentice wages.

Contextual data and advice for areas of investigation were collected from the Minimum Wage Research Group, an academic peer reviewer (Dr John Buchanan) and State Training Authorities to finalise the scope of the project.

Sectors included in the research

The selection of sectors was primarily focused on including a variety of CBWP measures contained or referenced in the Apprentices’ and Trainees’ Wages and Conditions (excluding certain Queensland Government Entities) Order (the Qld Order). National Centre for Vocational Education Research (NCVER) data from 2009, which identified persons in training by gender and industry, was also used to determine the sectors to be included in the research. The data focused on the industries within ANZCO occupation group 4—Technicians and trades workers. The trades with the highest number of employees in which there was representation of apprentices were prioritised for inclusion in the research. Representation of gender was also a consideration.
The Automotive and Building and construction sectors were primarily included as they had the highest concentration of apprentice employees. The Hairdressing sector was included as it had the highest proportion of female apprentices. Also, the time-served measures of wage level progression contained in the Hairdressers’ Industry Award—State 2003 allow for progression through wage levels according to the proportion of the nominal term of the apprenticeship rather than a stated amount of time as contained in other CBWP arrangements. The Food trades/Hospitality sectors was chosen because the training requirements for wage level progression contained in the Qld Order for Cooking apprentices is the attainment of a stated number of units of competency rather than proportional attainment of units of competency as per other CBWP arrangements contained in the Qld Order.

Data collection

Approaches to qualitative data collection

Qualitative data collection was undertaken through two approaches: at the enterprise level and at the individual level.

The enterprise-level approach to data collection facilitated an examination of the operation of CBWP by including the perspective of both employer and apprentice participants. With the exception of one case study enterprise, all data collection was undertaken with apprentice and employer participants separately.

To expand the number of participants to allow for a broader range of characteristics and views to be examined, additional participants took part in separate apprentice and employer on-line discussions.

Methods of data collection

Data was collected through two methods: in-depth interviews and online discussion forums.

For the in-depth interviews, guides were used to collect data from apprentice and employer participants to ensure that pre-determined topics (areas of information) were covered in each interview. Using guides to conduct the interviews provided focus, but allowed a degree of flexibility and adaptability to collect details about each participant’s experiences. Profile sheets were also used to collect participant characteristic and enterprise information.

The interview guides were designed to cover topics related to the operation of wage progression. Information and advice gathered during the scoping phase of the project informed the development of data collection tools. (See Appendix 17.2 Interview guide attachments.)

Employer interview guide

All employer interviews began by collecting information about the enterprise, including workforce structure: occupations and skills levels; wage-setting practices across the workforce; and factors that led the enterprise to hire apprentice(s).

The interview guide also contained the following topics. The topics were typically covered in the interviews as presented below:

- views on competency-based (training) progression;
- knowledge and understanding of state jurisdiction-based training procedures and materials including the training contract and the training plan, units of competency that comprise the AQF Certificate III qualification,
stages of training and recognition of prior learning;

- experiences of competency-based (training) progression, including: choice of RTO and mode of training delivery, involvement in the design of the individual training plan, involvement in RTO assessments of competency and assessments of competency in the workplace;

- the process for determining wage levels upon commencement of apprenticeship employment and wage level progressions throughout the apprenticeship, including how RPL credits and attaining minimum training requirements contained in CBWP arrangements flow-on to affect wage-setting processes; and

- views on wage progression outcomes and how their experiences have shaped their views.

Apprentice interview guide

All apprentice interviews began by establishing where the apprentices were at in their apprenticeship (in the participants’ words), the factors that led them to commence their apprenticeship, their intentions to continue and complete the AQF Certificate III qualification and their employment and training once the AQF Certificate III had been attained. The interviews then collected information on the following topics:

- views on competency-based (training) progression;

- knowledge and understanding of state jurisdiction-based training procedures and materials including: their training contract, their individual training plan, units of competency that comprise the AQF Certificate III qualification, stages of training and recognition of prior learning;

- experiences of competency-based (training) progression, including: the delivery of training, their involvement in the design of their training plan, RTO assessments of competency, assessments of competency in the workplace, attaining units of competency ahead or within nominal durations, and the factors that affect their progression through training;

- the process for determining their wage level upon commencement/re-commencement of their apprenticeship employment, wage level progressions throughout their apprenticeship and how attaining minimum training requirements (contained in CBWP arrangements) could flow on to prompt wage level progressions; and

- views on wage progression outcomes throughout their apprenticeship employment and how their experiences and expectations have shaped their views and intentions to continue and complete their apprenticeship.

Most interviews with employers and apprentices were 30–40 minutes duration, but some employer interviews took up to one hour. All interviews were digitally recorded with the expressed permission of participants. Notes and transcripts from interviews were used in data analysis. All participants were assured anonymity and advised that their contributions to the research would not be attributed to them. Incentive payments were provided to participants following the interviews in appreciation for their contributions to the research.

For the online method of data collection, the interview guides and profile sheets were adapted to suit this method. The online forums included broad, topical questions that prompted discussion among participants. Data collection tools for the online method included the same content as the interview guides at Appendix 17.2 Interview guide attachments.
The online discussions ran over a period of three days. Participants were required to login to the discussion for approximately 30 minutes each day to contribute to discussions and respond to questions posed by the moderator. Transcripts of individual contributions (profiles) were used in data analysis. All participants were assured anonymity and advised that their contributions to the research would not be attributed to them. Incentive payments were provided to participants following the online discussion in appreciation for their contributions to the research.

Data analysis and reporting

The analysis of data collected through interviews and online discussions involved synthesis and thematic coding to identify themes at the enterprise level and at the individual level. This process facilitated the development of a framework for further analysis and interpretation from the perspective of employer participants and apprentice participants. Key themes were examined across the five sectors included in the research and across other variables and characteristics considered relevant to the investigation through scoping the project.

Following data analysis, a structure for reporting the research findings was developed. The approach to reporting was to present the key themes and recurring themes, but also to include the full range of experiences and views of participants in the research. Verbatim quotes were drawn from the data collected through interviews and online discussion forums, and have been used throughout the findings to highlight key themes and demonstrate participants' experiences and views.

Research sample

The research included the experiences and views of 35 employer participants and 38 apprentice participants across five sectors. The research also included contributions from four representatives of Registered Training Organisations to investigate functions of the training system that could not be determined through research with employer and apprentice participants.

Enterprise-level investigations (case studies)

The research sample comprised participants from a total of 16 enterprise-level investigations (case studies). Ten of the case studies involved participants subject to CBWP arrangements and six case studies were of participants subject to time-served wage progression arrangements.

Each case study included the contribution of one employer participant or two employer participants collectively, and one or two apprentice participants who contributed to the research separately. Details of the 10 enterprise case studies enterprises subject to CBWP are presented in table 1:
Table 1: Characteristics of enterprise case studies subject to CBWP arrangements

<table>
<thead>
<tr>
<th>Sector</th>
<th>Apprentice participant(s) trade</th>
<th>Business size</th>
<th>Number of apprentice participants</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automotive</td>
<td>Automotive Mechanical</td>
<td>Small</td>
<td>1</td>
<td>Brisbane</td>
</tr>
<tr>
<td>Automotive</td>
<td>Automotive Electrical</td>
<td>Small</td>
<td>1</td>
<td>Brisbane</td>
</tr>
<tr>
<td>Building and Construction</td>
<td>Carpenter</td>
<td>Small</td>
<td>2</td>
<td>Brisbane</td>
</tr>
<tr>
<td>Building and Construction</td>
<td>Bricklaying</td>
<td>Small</td>
<td>1</td>
<td>Brisbane</td>
</tr>
<tr>
<td>Hairdressing</td>
<td>Ladies hairdressing</td>
<td>Small</td>
<td>1</td>
<td>Brisbane</td>
</tr>
<tr>
<td>Hairdressing</td>
<td>Men’s hairdressing and ladies hairdressing</td>
<td>Medium</td>
<td>2</td>
<td>Brisbane</td>
</tr>
<tr>
<td>Food trades / Hospitality</td>
<td>Commercial cookery</td>
<td>Small</td>
<td>1</td>
<td>Brisbane</td>
</tr>
<tr>
<td>Food trades / Hospitality</td>
<td>Commercial cookery</td>
<td>Medium</td>
<td>1</td>
<td>Brisbane</td>
</tr>
<tr>
<td>Engineering trades</td>
<td>Fabrication trade and Mechanical trade</td>
<td>Large</td>
<td>2</td>
<td>Melbourne</td>
</tr>
<tr>
<td>Engineering trades</td>
<td>Mechanical trade</td>
<td>Large</td>
<td>1</td>
<td>Melbourne</td>
</tr>
</tbody>
</table>

The two Engineering case studies were Group Training Organisations located in Victoria. These enterprises set wages for apprentices using the Manufacturing and Associated Industries and Occupations Award 2010. The other eight case study enterprises were located in Queensland. The enterprises in the Automotive, Building and Construction and Food trades/Hospitality sectors set wages for apprentices using the CBWP arrangements contained in the Qld Order. The two case study enterprises in the Hairdressing sector set wages using the CBWP arrangements contained in the Hairdressers’ Industry Award—State 2003 (Qld).

Details of the six case study enterprises subject to time-served wage progression arrangements are included in the following table 2:

Table 2: Characteristics of enterprise case studies subject to time-served wage progression arrangements

<table>
<thead>
<tr>
<th>Sector</th>
<th>Apprentice participant(s) trade</th>
<th>Business size</th>
<th>Number of apprentice participants</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automotive</td>
<td>Automotive Mechanical</td>
<td>Small</td>
<td>1</td>
<td>Melbourne</td>
</tr>
<tr>
<td>Building and Construction</td>
<td>Carpenter</td>
<td>Large</td>
<td>1</td>
<td>Melbourne</td>
</tr>
<tr>
<td>Building and Construction</td>
<td>Plumbing</td>
<td>Small</td>
<td>1</td>
<td>Brisbane</td>
</tr>
<tr>
<td>Building and Construction</td>
<td>Plumbing</td>
<td>Small</td>
<td>1</td>
<td>Melbourne</td>
</tr>
<tr>
<td>Hairdressing</td>
<td>Hairdressing</td>
<td>Small</td>
<td>1</td>
<td>Melbourne</td>
</tr>
<tr>
<td>Food trades / Hospitality</td>
<td>Commercial cookery</td>
<td>Large</td>
<td>1</td>
<td>Melbourne</td>
</tr>
</tbody>
</table>

Five of the case study enterprises subject to time-served wage progression were in Victoria and set wages for apprentices using wage arrangements contained in a modern award. One of the Plumbing case study enterprises was located in Queensland and set wages for apprentices using the Building Construction Industry Award—State 2003 (Qld) and wage arrangements contained in the Queensland Order—Apprentices’ and Trainees’ Wages and Conditions (excluding certain Queensland Government Entities) 2003.

Characteristics of the total sample of employer participants

The total sample of 35 employer participants was drawn from five sectors. The sample comprised 24 employers subject to CBWP arrangements and 11 employers subject to time-served wage progression arrangements. The following table details relevant employer participant characteristics for four of the sectors. Details of the employer representatives for the Engineering trades sector follow this table.
### Table 3: Employer participant characteristics by sector

<table>
<thead>
<tr>
<th>Trade / sub-sector</th>
<th>Business size</th>
<th>No. of apprentices</th>
<th>Wage progression</th>
<th>Mode of RTO Training Delivery</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Automotive sector</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mechanical repair and servicing</td>
<td>Medium</td>
<td>2+</td>
<td>CBWP</td>
<td>Trade school</td>
<td>Brisbane</td>
</tr>
<tr>
<td>Vehicle body repair (panel beating)</td>
<td>Small</td>
<td>2+</td>
<td>CBWP</td>
<td>Workplace based</td>
<td>Brisbane</td>
</tr>
<tr>
<td>Mechanical repair and servicing (inc. auto electrical)</td>
<td>Small</td>
<td>2+</td>
<td>CBWP</td>
<td>Workplace based</td>
<td>Qld</td>
</tr>
<tr>
<td>Mechanical repair and servicing (inc. auto electrical)</td>
<td>Small</td>
<td>1</td>
<td>CBWP</td>
<td>Workplace based</td>
<td>Brisbane</td>
</tr>
<tr>
<td>Mechanical repair and servicing</td>
<td>Small</td>
<td>1</td>
<td>CBWP</td>
<td>Workplace based</td>
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<tr>
<td>Mechanical repair and servicing, and diesel fitting services</td>
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<td>CBWP</td>
<td>Trade school</td>
<td>Qld</td>
</tr>
<tr>
<td>Mechanical repair and servicing (inc. auto electrical)</td>
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<td>1</td>
<td>Time Served</td>
<td>Trade school</td>
<td>Melbourne</td>
</tr>
<tr>
<td>Mechanical repair and servicing (inc. auto electrical)</td>
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<td>Time Served</td>
<td>Trade school</td>
<td>Melbourne</td>
</tr>
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<td>GTO</td>
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<td>Melbourne and Vic regional</td>
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<td>Small</td>
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<td>CBWP</td>
<td>Trade school</td>
<td>Brisbane</td>
</tr>
<tr>
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<td>Small</td>
<td>2+</td>
<td>CBWP</td>
<td>Trade school</td>
<td>Brisbane</td>
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<td>CBWP</td>
<td>Trade school</td>
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<tr>
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<td>Small</td>
<td>1</td>
<td>CBWP</td>
<td>Trade school</td>
<td>Qld</td>
</tr>
<tr>
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<td>CBWP</td>
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<tr>
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<td>Online</td>
<td>Brisbane</td>
</tr>
<tr>
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<td>Medium</td>
<td>2+</td>
<td>CBWP</td>
<td>Trade school</td>
<td>Qld</td>
</tr>
<tr>
<td>Building services (Carpentry)</td>
<td>Large</td>
<td>1</td>
<td>Time Served</td>
<td>Trade school</td>
<td>Melbourne</td>
</tr>
<tr>
<td>Building services (Plumbing)</td>
<td>Medium</td>
<td>2+</td>
<td>Time served</td>
<td>Trade school</td>
<td>Melbourne</td>
</tr>
<tr>
<td>Plumbing services</td>
<td>Small</td>
<td>2+</td>
<td>Time served</td>
<td>Trade school</td>
<td>Brisbane</td>
</tr>
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<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Hairdressing services</td>
<td>Small</td>
<td>2+</td>
<td>CBWP</td>
<td>Trade school</td>
<td>Brisbane</td>
</tr>
<tr>
<td>Hairdressing services</td>
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<td>2+</td>
<td>CBWP</td>
<td>Trade school</td>
<td>Qld—other</td>
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<td>1</td>
<td>CBWP</td>
<td>Trade school</td>
<td>Brisbane</td>
</tr>
<tr>
<td>Hairdressing services</td>
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<td>2+</td>
<td>CBWP</td>
<td>Workplace-based</td>
<td>Brisbane</td>
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</table>
Australian apprentice minimum wages in the national system

<table>
<thead>
<tr>
<th>Trade / sub-sector</th>
<th>Business size</th>
<th>No. of apprentices</th>
<th>Wage progression</th>
<th>Mode of RTO Training Delivery</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hairdressing and beauty services</td>
<td>Small</td>
<td>2+</td>
<td>CBWP</td>
<td>Workplace-based</td>
<td>Brisbane</td>
</tr>
<tr>
<td>Hairdressing services</td>
<td>Small</td>
<td>1</td>
<td>Time Served</td>
<td>Trade school</td>
<td>Vic</td>
</tr>
<tr>
<td>Hairdressing services</td>
<td>Small</td>
<td>1</td>
<td>Time Served</td>
<td>Trade school</td>
<td>Melbourne</td>
</tr>
<tr>
<td>Hairdressing services</td>
<td>Small</td>
<td>2+</td>
<td>Time-served</td>
<td>Trade school</td>
<td>Melbourne</td>
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</table>

<table>
<thead>
<tr>
<th>Food trades/Hospitality</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restaurant</td>
</tr>
<tr>
<td>Cafe</td>
</tr>
<tr>
<td>Restaurant</td>
</tr>
<tr>
<td>Catering</td>
</tr>
<tr>
<td>Restaurant</td>
</tr>
<tr>
<td>Restaurant</td>
</tr>
</tbody>
</table>

The two employer participants in the Engineering trades sector were representatives from Group Training Organisations that had placed their apprentice employees with host employers in Melbourne and regional centres in Victoria.

Characteristics of the total sample of apprentice participants

The total sample of 38 apprentice participants was drawn from five sectors. The sample comprised 27 apprentices subject to CBWP arrangements and 11 apprentices subject to time-served wage progression arrangements. The following table details relevant apprentice participant characteristics for the five sectors.

Table 4: Apprentice participant characteristics by sector

<table>
<thead>
<tr>
<th>Trade / AQF Certificate III qual</th>
<th>Wage</th>
<th>Current Wage Level</th>
<th>Recommended</th>
<th>Mode of Training Delivery</th>
<th>Age</th>
<th>Gender</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automotive Mechanical Technology</td>
<td>CBWP</td>
<td>3</td>
<td>No</td>
<td>Trade school</td>
<td>18-20</td>
<td>Male</td>
<td>Brisbane</td>
</tr>
<tr>
<td>Automotive Electrical Technology</td>
<td>CBWP</td>
<td>2</td>
<td>No</td>
<td>Workplace based</td>
<td>21-25</td>
<td>Male</td>
<td>Brisbane</td>
</tr>
<tr>
<td>Automotive Mechanical Technology</td>
<td>CBWP</td>
<td>1</td>
<td>No</td>
<td>Trade school</td>
<td>21-25</td>
<td>Male</td>
<td>Brisbane</td>
</tr>
<tr>
<td>Automotive Mechanical Technology</td>
<td>CBWP</td>
<td>2</td>
<td>No</td>
<td>Workplace based</td>
<td>16-18</td>
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<td>Yes</td>
<td>Trade school</td>
<td>21-25</td>
<td>Male</td>
<td>Brisbane</td>
</tr>
<tr>
<td>Automotive Mechanical Technology</td>
<td>Time served</td>
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<td>No</td>
<td>Trade school</td>
<td>18-20</td>
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</tr>
<tr>
<td>Automotive Electrical Technology</td>
<td>Time served</td>
<td>3</td>
<td>No</td>
<td>Trade school</td>
<td>21-25</td>
<td>Male</td>
<td>Melbourne</td>
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</table>

Building and construction
### Australian apprentice minimum wages in the national system

<table>
<thead>
<tr>
<th>Trade / AOF Certificate III qual</th>
<th>Wage</th>
<th>Current Wage Level</th>
<th>Recommended</th>
<th>Mode of Training Delivery</th>
<th>Age</th>
<th>Gender</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carpentry</td>
<td>CBWP</td>
<td>1</td>
<td>No</td>
<td>Online</td>
<td>21-25</td>
<td>Male</td>
<td>Brisbane</td>
</tr>
<tr>
<td>Carpentry</td>
<td>CBWP</td>
<td>4</td>
<td>No</td>
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<tr>
<td>Carpentry</td>
<td>CBWP</td>
<td>2</td>
<td>No</td>
<td>Trade school</td>
<td>21-25</td>
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<tr>
<td>Bricklaying</td>
<td>CBWP</td>
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<td>No</td>
<td>Online</td>
<td>18-20</td>
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<td>Brisbane</td>
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<tr>
<td>Carpentry</td>
<td>CBWP</td>
<td>3</td>
<td>No</td>
<td>Trade school</td>
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<td>Male</td>
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<tr>
<td>Carpentry</td>
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<td>Yes</td>
<td>Online</td>
<td>21-25</td>
<td>Male</td>
<td>Brisbane</td>
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<tr>
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<td>CBWP</td>
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<td>No</td>
<td>Trade school</td>
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<td>Male</td>
<td>Qld</td>
</tr>
<tr>
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<td>3</td>
<td>No</td>
<td>Trade school</td>
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</tr>
<tr>
<td>Carpentry</td>
<td>Time served</td>
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<td>No</td>
<td>Trade school</td>
<td>26-34</td>
<td>Male</td>
<td>Melbourne</td>
</tr>
<tr>
<td>Plumbing</td>
<td>Time served</td>
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<td>No</td>
<td>Trade school</td>
<td>21-25</td>
<td>Male</td>
<td>Melbourne</td>
</tr>
<tr>
<td>Plumbing</td>
<td>Time served</td>
<td>2</td>
<td>No</td>
<td>Trade school</td>
<td>21-25</td>
<td>Male</td>
<td>Brisbane</td>
</tr>
<tr>
<td>Hairdressing</td>
<td>CBWP</td>
<td>3</td>
<td>No</td>
<td>Workplace based</td>
<td>18-20</td>
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<tr>
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<td>CBWP</td>
<td>2</td>
<td>Yes</td>
<td>Trade school</td>
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<tr>
<td>Men's hairdressing</td>
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<tr>
<td>Hairdressing</td>
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<td>No</td>
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<td>Female</td>
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<tr>
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<td>Trade school</td>
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<td>Female</td>
<td>Qld</td>
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<tr>
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<td>Time served</td>
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<td>No</td>
<td>Trade school</td>
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<td>Melbourne</td>
</tr>
<tr>
<td>Hairdressing</td>
<td>Time served</td>
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<td>No</td>
<td>Trade school</td>
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<tr>
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<td>Yes</td>
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<td>18-20</td>
<td>Female</td>
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<tr>
<td>Commercial cookery</td>
<td>CBWP</td>
<td>2</td>
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<td>Workplace based</td>
<td>18-20</td>
<td>Male</td>
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<tr>
<td>Commercial cookery</td>
<td>CBWP</td>
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<tr>
<td>Commercial cookery</td>
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<tr>
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<td>No</td>
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<td>Female</td>
<td>Vic</td>
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<tr>
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<tr>
<td>Mechanical</td>
<td>CBWP</td>
<td>2</td>
<td>No</td>
<td>Trade school</td>
<td>21-25</td>
<td>Male</td>
<td>Melbourne</td>
</tr>
</tbody>
</table>
Processes for recruitment of research participants

Participation in the research was voluntary. In accordance with standard practice for qualitative research, participants were offered payment in return for contributing to the research.

Sourcing participants

An opt-in approach to recruitment was originally adopted as the primary means to source research participants. Information about the research was distributed to enterprises through Australian Apprenticeships Centres. Employers and apprentices were provided information about the research and encouraged to contact the Minimum Wages and Research Branch to register their interest. However, this method of sourcing employers and apprentices only resulted in the recruitment of a small proportion of participants in the research.

Recruitment of research participants was primarily through a targeted approach. Participants were sourced by obtaining contact details via Australian Apprenticeship Centres, State Training Authorities, research recruitment services and searches on the Seek employment website. Apprentice participants from case study enterprises were sourced through their employer. Employer participants selected which of their apprentices would participate in the research.

All participants were screened to ascertain that they were within scope and to ensure a range of relevant characteristics were included in the research prior to being invited to participate.

Screening and validating participants

Questionnaires were developed for use during the recruitment process to determine whether employers and apprentices were within scope and to collect information about relevant characteristics.

Employers

A screening questionnaire was designed to determine how pay and conditions were set for their employees by collecting information about the industrial instrument(s) used and their reliance on minimum conditions to set wages for apprentice employees. Employers were asked directly about whether their apprentice employees were subject to CBWP and time-served wage progression arrangements. Employers were also asked about the training progression arrangements of their apprentices as a validation measure to ensure the distinction between training and wage progression was made.

Employers with at least one apprentice employee paid according to the minimum terms and conditions outlined in their relevant minimum wage instruments were deemed to be in-scope for this research.

Further questions about the business size—sector/industry; responsibilities for business management, including recruitment and setting pay rates; years of operation; and their workforce profile, including employment arrangements across the workforce—were asked in order to identify the characteristics of interest for analysis.

Apprentices

The apprentice screener questionnaire included a series of questions that directly and indirectly attempted to determine whether the apprentices had their wages set via the minimum terms and conditions outlined in their relevant minimum wage instruments.
Questions were asked about the industry their employer operates in, the industrial instrument that determines their conditions of employment, the AQF Certificate III qualification they were undertaking and their wage level. The questionnaire also collected information about pay rate—where possible, the basic hourly pay rate the apprentice received. Apprentices were asked directly about whether they were subject to CBWP or time-served wage progression arrangements. Apprentices were also asked about their training progression arrangements as a validation measure to ensure the distinction between training and wage progression was clear.

The information collected was used to identify the industrial instrument the apprentice was covered by, including whether they pay rate was set according to the minimum terms and conditions outlined in their relevant minimum wage instruments and whether they were subject to CBWP or time-served wage progression arrangements.

Further questions about employment arrangements and the date and circumstance of the most recent increase to their hourly pay rate were also asked in order to validate other responses. Demographic questions were also asked to determine age, gender, and whether they had commenced their apprenticeship with their current employer or if they had recommenced their apprenticeship with their current employer after cancelling a training contract with a former employer (wage level employment).

**Limitations of the research design**

**The range of participants**

The research focused on employers with apprentices in-training and in-training apprentices who were currently employed to investigate experiences of the operation of CBWP arrangements. This scope excluded out-of-trade apprentices and employers who had previously had apprentices in the business, but had ceased employing apprentices. The findings are limited to the experiences and views of participants who were using the CBWP arrangements at the time of the research.

As participation was voluntary, potential biases may exist in the sample. Screening of research participants did not seek to identify views about competency-based training and CBWP arrangements, and consequently participants volunteering to participate may have over-represented those with more strongly held views. That is, employers and apprentices who had positively embraced CBWP, and employers and apprentices who had particularly negative views of CBWP arrangements may have been more inclined to participate in the research. Although care has been taken to report the range of views identified in the research, caution should be taken in interpreting the views presented in the findings.

The research excluded employers who did not engage in the training process at all.

**Location**

The concentration of participants in the research in metropolitan areas was for logistical reasons. The experiences and views of some participants in regional centres were included in the research; however, the research did not include the experiences of employers and apprentices in remote areas. This is relevant as metropolitan areas generally have more training infrastructure (and choice of RTO) to support competency-based training and progression than regional and remote areas. In areas where accelerated completion of training is not available CBWP progression could not be examined.
The research into the operation of CBWP was largely concentrated in the Queensland jurisdiction (with the exception of the Engineering case studies conducted in Melbourne who also had access to CBWP) as it has the largest coverage of apprentices with access to CBWP. However, there are examples of CBWP in operation in states and territories outside of Queensland (such as those subject to federal/national awards which have CBWP available). The research included investigation of how state jurisdiction-based training procedures affected the operation of CBWP; however, this investigation was effectively limited to the Queensland jurisdiction.

**Sectors**

The Qld Order provides CBWP across 23 industries; however, the research was limited to four sectors. As the focus of the research was on the operation of CBWP, sectors were chosen to include a variety of training requirements and timeframe measures contained in the CBWP arrangements. This is reflected in the research findings. Limiting the research design to four sectors meant that the experiences in the remaining sectors was not investigated.

Appendix 17.2—Guide attachments for qualitative research

The guides used for interviews with employer and apprentice participants subject to CBWP arrangements are below. These guides were used in the interview process to ensure that relevant topics were covered. Not all questions were asked as they appear in the guide or in the order that they appear in the guide.

**Employer interview guide**

Introduction: provide brief summary of points covered in recruitment process—confirm data collected through recruitment screener.

Confirm consent to record interview.

- To begin, please give me an overview of your workforce. What are the main factors influencing your employment/workforce management decisions? Why do you have apprentices in the business?

- What are the main factors influencing wage-setting decisions across your workforce? What are the main factors influencing wage-setting for your apprentice(s)? How are pay rates for your apprentice(s) calculated—where is information sourced?

- How do you find the competency-based progression model of training? How did you choose the registered training provider? Why? How was the training plan developed/negotiated for your apprentice(s)? How many units of competency make up the AQF Certificate III qualification? What is the total number of nominal hours? How has the training plan been adjusted throughout the apprenticeship? How are assessments of competency conducted? How do you contribute to RTO assessments? What do you consider in your assessments of workplace competency? How do the RTO assessments relate to how you evaluate the performance of your apprentice?

- How was prior learning or experience of your apprentice(s) recognised? How were the credits applied for wage-setting purposes?

- What is the process for determining the wage level (percentage of tradesperson’s rate) of your apprentice(s)? How do you know when your apprentice has reached a wage level progression? What happens?

- What are your thoughts on wage progression outcomes? What about completing the apprenticeship/early completion? How do your experiences and views of wage progression processes and outcomes influence decisions about having apprentices? Retaining your employee?
Apprentice interview guide

Introduction: provide an overview of the research as apprentice completes the profile sheet.

Confirm consent to record interview.

- To begin, please explain where you’re at in your apprenticeship. What are your plans for continuing/completing your apprenticeship? What about your employment beyond that?

- What are the main factors that influenced you to commence an apprenticeship? What other options for your employment, education and skills development did you consider? What made you choose this trade? Did you undertake any (vocational) training before commencing your apprenticeship? What about your employment experience?

- What influence did wages—during your apprenticeship—have on your decision to commence your apprenticeship? Did you know that wage progression would be competency-based? How did this influence your decision? Has that changed throughout your apprenticeship?

- How do you find the competency-based progression model of training? How was your training plan developed? How were you involved in the development of it? How was your RTO chosen? Why? How is your training delivered? How often do you undertake ‘training’? How many units of competency make up your apprenticeship (AQF Certificate III qualification)? What is the total number of nominal hours in your apprenticeship (AQF Certificate III qualification)? How has your training plan been adjusted throughout your apprenticeship? How are assessments of competency conducted? At trade school/training provider and in the workplace? How do these assessments relate to how you evaluate your performance/competency?

- What are the (main) factors influencing the progress you’re making in your training/apprenticeship? How are you progressing through your training—have you achieved any competencies (units of competence) quicker than the nominal hours/duration? How does the training delivered by the RTO combine with your experience in the workplace? How do you feel about the progress you’re making? How does it compare to what you expected?

- What is the process for determining the wage level (percentage of tradesperson’s rate) that you’re at? What are the main factors influencing your apprentice wage—your pay rate? What’s contained in the award (award pay provisions)—the number/proportion of competencies you have attained? What information is used to determine your wage? Where do you or would you seek information about your wage? Did you receive any course credits as recognition of prior learning that flowed on to affect your wage/wage level? How do you know when you are due to progress to the next wage level? What happens?

- What are your thoughts on your wage progression outcomes to date? How do your experiences and views of wage progression processes and outcomes influence your decisions to continue/complete your apprenticeship? What about your employment/staying in the workplace you’re currently in?
### Appendix 18—Awards replaced by the NTW schedule

<table>
<thead>
<tr>
<th>Publication Title</th>
<th>Publication ID</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Training Wage Award 2000*</td>
<td>AP790899</td>
</tr>
<tr>
<td>Life Be In It Training Wage Award 2001*</td>
<td>AP807457</td>
</tr>
<tr>
<td>Electroskills Industry Training Award 2002*</td>
<td>AP819348</td>
</tr>
<tr>
<td>Stevedoring Australian Vocational Training System Award 2000*</td>
<td>AP796383</td>
</tr>
<tr>
<td>AWU Training Wage (State) Award</td>
<td>AN120040</td>
</tr>
<tr>
<td>Confectioners (State) Training Wage Award</td>
<td>AN120157</td>
</tr>
<tr>
<td>Electro Group and Australian Workers' Union, New South Wales Gas Training (State) Award</td>
<td>AN120193</td>
</tr>
<tr>
<td>Miscellaneous Workers' Kindergartens and Child Care Centres (State) Training Wage Award</td>
<td>AN120346</td>
</tr>
<tr>
<td>Metal Trades (Training Wage) (State) Award</td>
<td>AN120333</td>
</tr>
<tr>
<td>Nurses' (Private Sector) Training Wage (State) Award</td>
<td>AN120383</td>
</tr>
<tr>
<td>Private Hospitals, Aged Care and Disability Services Industry (Training) (State) Award</td>
<td>AN120437</td>
</tr>
<tr>
<td>Real Estate Industry (State) Training Wage Award</td>
<td>AN120459</td>
</tr>
<tr>
<td>Retail Industry (State) Training Wage Award</td>
<td>AN120469</td>
</tr>
<tr>
<td>School Support Staff (Catholic Schools) (State) Training Wage Award 2001</td>
<td>AN120493</td>
</tr>
<tr>
<td>Theatrical Employees (Training Wage) (State) Award</td>
<td>AN120572</td>
</tr>
<tr>
<td>Training Wage (State) Award 2002</td>
<td>AN120588</td>
</tr>
<tr>
<td>Training Wage Award—State 2003</td>
<td>AN140303</td>
</tr>
<tr>
<td>Order—Apprentices' and Trainees' Wages and Conditions (Excluding Certain Queensland Government Entities) 2003</td>
<td>Order</td>
</tr>
<tr>
<td>Apprentices' and Trainees' Wages and Conditions (Queensland Government Departments and Certain Government Entities) Order</td>
<td>Order</td>
</tr>
<tr>
<td>AWU National Training Wage (Agriculture) Award 1994</td>
<td>AN160001</td>
</tr>
<tr>
<td>National Training Wage (Tasmanian Private Sector) Award</td>
<td>AN170071</td>
</tr>
</tbody>
</table>

Source: AIRC: Award Modernisation National training wage—List of relevant awards

Note: * Pre-reform awards
Appendix 19—Availability of competency-based wage progression and competency-based training progression for trainees across Australia

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Competency-based Wage Progression</th>
<th>Competency-based Training Progression</th>
</tr>
</thead>
<tbody>
<tr>
<td>National</td>
<td>Modern Awards which provide coverage for trainees do so through the NTW schedule. This does not provide for CBWP. Prior to 2010, the provisions of the several pre-reform awards that covered trainees (including the National Training Wage Award 2000 AP790899) did not provide for CBWP.</td>
<td>CBWP in the national system is facilitated by the legislation of the particular State or Territory in which an employee is covered.</td>
</tr>
<tr>
<td>Vic</td>
<td>Vic has referred its industrial relation powers to the Commonwealth. The NTW schedule of the Modern Awards applies to trainees (an instrument that does not allow for CBWP).</td>
<td>Yes. Section 5.5.14 of the Education and Training Reform Act 2006 (Vic) allows for early or late completion, depending on the knowledge and skills of the trainee, as required under the training contract.</td>
</tr>
<tr>
<td>Qld</td>
<td>Yes, for most trainees in the Qld jurisdiction CBWP is available to Queensland trainees through the Order—Apprentices’ and Trainees’ Wages and Conditions (Excluding Certain Queensland Government Entities) 2003 and Apprentices’ and Trainees’ Wages and Conditions (Queensland Government Departments and Certain Government Entities) Order 2003. These arrangements have been preserved for certain employees by the Fair Work (Transitional Provisions and Consequential Amendments) Regulations 2009.</td>
<td>Yes. Sections 49 of the Vocational Education, Training and Employment Act 2000 (Qld) allows for the council to decide on the duration (nominal term) of a training contract, and provides that the nominal term of a traineeship is different depending on the class of traineeship.</td>
</tr>
<tr>
<td>SA</td>
<td>Prior to South Australia’s referral of IR powers, CBWP was not available to trainees. This continues to be the case for those that remain under the SA system (state public sector employees) and those now covered by the NTW schedule as part of the modern awards.</td>
<td>Yes. Section 49(5) of the Training and Skills Development Act 2008 (SA) provides that the Commission may certify that an trainee has completed early if satisfied of the competency of the trainee.</td>
</tr>
<tr>
<td>NSW</td>
<td>Before NSW’s referral of IR powers, CBWP was not available to trainees. This continues to be the case for those that remain under the NSW system (state public sector employees) and those now covered by the NTW schedule as part of the modern awards.</td>
<td>Yes. Section 10(2) of the Apprenticeship and Traineeship Act 2001 (NSW) allows for early or late completion, by providing that the Commissioner or Tribunal may reduce or extend the term of the traineeship.</td>
</tr>
<tr>
<td>Tas</td>
<td>Prior to Tasmania’s referral of IR powers, CBWP was not available to trainees. This continues to be the case for those that remain under the Tasmanian system (state public sector employees) and those now covered by the NTW schedule as part of the modern awards.</td>
<td>Yes. Section 40 of the Vocational Education and Training Act 1994 (Tas) allows for early or late completion by allowing the Tasmanian Training Agreements Committee to amend or approve amendment of a training contract.</td>
</tr>
<tr>
<td>NT</td>
<td>Section 66 of the Northern Territory Employment and Training Act 1991 (NT) provides that the Employment and Training Authority is to set wages based on the level of competence of trainees. This was subject to any term of an award made under the former Workplace Relations Act 1996 (CTH). The Workplace Relations Act 1996 (CTH) has since been repealed, and trainees are covered by national awards. CBWP is therefore not available.</td>
<td>Yes. Section 63(3) of the Northern Territory Employment and Training Act 1991 (NT) provides that an RTO must award the qualification as soon as reasonably practicable after a trainee is assessed as being eligible to be awarded a qualification for attaining the level of competency or skill specified in the training agreement.</td>
</tr>
<tr>
<td>ACT</td>
<td>Trainees in the ACT are covered by national awards. As such they continue to be covered by the NTW schedule (an instrument that does not allow for CBWP).</td>
<td>Yes. Section 55G of the Training and Tertiary Education Act 2003 (ACT) allows for amendment of the training contract between parties with the approval of the chief executive.</td>
</tr>
<tr>
<td>WA</td>
<td>CBWP is not available to trainees covered by the WA industrial relations system. For Western Australian’s covered by the national system see the information in the national system column.</td>
<td>Yes. Section 601 of the Vocational Education and Training Act 1996 (WA) provides that a registered training provider may confer a qualification where, upon assessment of the person, the provider is satisfied that the person has the skills and competency required for the qualification.</td>
</tr>
</tbody>
</table>
Appendix 20—Trainees under state and territory legislation

Appendix 20 only available in electronic copy on the Fair Work Australia website.
Appendix 21—Time series data—trainees

### Appendix 22—Modern awards list and availability of the National Training Wage schedule

<table>
<thead>
<tr>
<th>Modern Award</th>
<th>NTW Schedule attached as at 1 January 2010 (commencement date)?</th>
<th>NTW Schedule attached as at 1 January 2011?</th>
<th>Award contains NTW schedule and provides adult classification with word ‘trainee’ in award other than in NTW schedule?</th>
<th>Award contains NTW schedule and also provides wage rates for trainees other than in NTW schedule?</th>
<th>Award does not have NTW schedule but has trainee wage rates/classifications?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aboriginal Community Controlled Health Services Award 2010</td>
<td>Yes. See PR991082.</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>N/A</td>
</tr>
<tr>
<td>Aged Care Award 2010 [MA000018]</td>
<td>No. Inserted on 31 March 2010 (PR994419, cl. 42).</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>N/A</td>
</tr>
<tr>
<td>Air Pilots Award 2010 [MA000046]</td>
<td>No</td>
<td>No</td>
<td>N/A</td>
<td>N/A</td>
<td>No</td>
</tr>
<tr>
<td>Aircraft Cabin Crew Award 2010 [MA000047]</td>
<td>No</td>
<td>No</td>
<td>N/A</td>
<td>N/A</td>
<td>No</td>
</tr>
<tr>
<td>Airline Operations—Ground Staff Award 2010 [MA000048]</td>
<td>No</td>
<td>No</td>
<td>N/A</td>
<td>N/A</td>
<td>Yes. Award contains an adult classification (outlined in Sch B.1.1) describing some types of employees covered by the classification who are ‘trainees’ (ie Trainee Airlines Services Operator). The rate for these employees is provided for in cl. 15 and is: • Aviation transport workers stream Level 1—$615.88 per week</td>
</tr>
<tr>
<td>Airport Employees Award 2010 [MA000049]</td>
<td>No. Inserted on 31 March 2010 (PR994515, cl. 21).</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>N/A</td>
</tr>
<tr>
<td>Alpine Resorts Award 2010 [MA000092]</td>
<td>No. Inserted on 5 March 2010 (PR994425, cl. 10).</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>N/A</td>
</tr>
<tr>
<td>Aluminum Industry Award 2010 [MA000060]</td>
<td>No. Inserted on 5 March 2010 (PR994426, cl. 13).</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>N/A</td>
</tr>
<tr>
<td>Ambulance and Patient Transport Industry Award 2010 [MA000098]</td>
<td>No</td>
<td>No</td>
<td>N/A</td>
<td>N/A</td>
<td>Yes. Award contains adult classifications (outlined in cl. 14.1) describing some types of employees covered by the classification who are ‘trainees’ (ie Trainee Clinic Transport Officer). The rates for these employees are provided for in cl. 14.1 and are: • Year 1—$686.70 per week • Year 2—$692.12 per week • Year 3—$697.13 per week</td>
</tr>
<tr>
<td>Modern Award</td>
<td>NTW Schedule attached as at 1 January 2010 (commencement date)?</td>
<td>NTW Schedule attached as at 1 January 2011?</td>
<td>Award contains NTW schedule and provides adult classification with word ‘trainee’ in award other than in NTW schedule?</td>
<td>Award contains NTW schedule and also provides wage rates for trainees other than in NTW schedule?</td>
<td>Award does not have NTW schedule but has trainee wage rates/classifications?</td>
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<td>--------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Amusement, Events and Recreation Award 2010 [MA000080]</td>
<td>No. Inserted on 12 March 2010 (PR994516, cl. 13).</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>N/A</td>
</tr>
<tr>
<td>Animal Care and Veterinary Services Award 2010 [MA000118]</td>
<td>Yes. See PR991085.</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>N/A</td>
</tr>
<tr>
<td>Aquaculture Industry Award 2010 [MA000114]</td>
<td>Yes. See PR991081.</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>N/A</td>
</tr>
<tr>
<td>Architects Award 2010 [MA000079]</td>
<td>No</td>
<td>No</td>
<td>N/A</td>
<td>N/A</td>
<td>No</td>
</tr>
<tr>
<td>Asphalt Industry Award 2010 [MA000054]</td>
<td>No. Inserted on 5 March 2010 (PR994428, cl. 11).</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>N/A</td>
</tr>
<tr>
<td>Banking, Finance and Insurance Award 2010 [MA000019]</td>
<td>No</td>
<td>No</td>
<td>N/A</td>
<td>N/A</td>
<td>Yes. Award contains adult classification (outlined in Sch B.2.1) describing some types of employees covered by the classification who are ‘trainees’ (ie indicative role for a Level 1 Office Trainee). The rates for these employees are provided for in Sch B.2.1 and are: • Group A—$694.75 per week; and • Group B—$712.70 per week.</td>
</tr>
<tr>
<td>Black Coal Mining Industry Award 2010 [MA000001]</td>
<td>No. Inserted on 23 March 2010 (PR994553, cl. 27).</td>
<td>Yes</td>
<td>Yes. Award contains adult classification (outlined in Sch B.2.1) describing some types of employees covered by the classification who are ‘trainees’ (ie an employee being trained … as a surveyor, metallurgist, chemist, geologist, draftsman or a mining, mechanical or electrical engineer). The rates for these employees are provided for in Sch B.2.1 and are: • Group A—$692.75 per week; and • Group B—$712.70 per week.</td>
<td>No</td>
<td>N/A</td>
</tr>
<tr>
<td>Modern Award</td>
<td>NTW Schedule attached as at 1 January 2010 (commencement date)?</td>
<td>NTW Schedule attached as at 1 January 2011?</td>
<td>Award contains NTW schedule and provides adult classification with word ‘trainee’ in award other than in NTW schedule?</td>
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<td>---------------------------------------------------------------</td>
</tr>
<tr>
<td>Book Industry Award 2010 [MA000078]</td>
<td>No</td>
<td>No</td>
<td>N/A</td>
<td>No</td>
<td>Yes. Award contains an adult classification (outlined in cl. 13.1) describing some types of employees covered by the classification who are ‘trainees’ (ie Trainee book editor). The rate for these employees is provided for in cl. 13.4 and is:</td>
</tr>
</tbody>
</table>
| | | | | | • Level 1 — $692.50 per week  
• After 6 months — $736.30 per week |
<p>| Broadcasting and Recorded Entertainment Award 2010 [MA000091] | No. Inserted on 26 March 2010 (PR994431, cl. 20) | Yes | Yes | No | N/A |
| | No | Yes | Yes | No | N/A |
| Building and Construction General On-site Award 2010 [MA000020] | No. Inserted on 31 March 2010 (PR994519, cl. 48) | Yes | Yes | No | N/A |
| | No | Yes | Yes | No | N/A |
| Business Equipment Award 2010 [MA000021] | No. Inserted on 23 March 2010 (PR994507, cl. 38) | Yes | No | No | N/A |
| | No | Yes | No | No | N/A |
| Car Parking Award 2010 [MA000035] | Yes. See PR991060. | Yes | No | No | N/A |
| | Yes | No | No | No | N/A |
| Cement and Lime Award 2010 [MA000055] | No. Inserted on 19 March 2010 (PR994432, cl. 9) | Yes | No | No | N/A |</p>
<table>
<thead>
<tr>
<th>Modern Award</th>
<th>NTW Schedule attached as at 1 January 2010 (commencement date)?</th>
<th>NTW Schedule attached as at 1 January 2011?</th>
<th>Award contains NTW schedule and provides adult classification with word ‘trainee’ in award other than in NTW schedule?</th>
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<th>Award does not have NTW schedule but has trainee wage rates/classifications?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cemetery Industry Award 2010 [MA000070]</td>
<td>No. Inserted on 12 March 2010 (PR994433, cl. 17).</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>N/A</td>
</tr>
<tr>
<td>Children’s Services Award 2010 [MA000120]</td>
<td>Yes. See PR991088.</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>N/A</td>
</tr>
<tr>
<td>Cleaning Services Award 2010 [MA000022]</td>
<td>No. Inserted on 31 March 2010 (PR994435, cl. 17).</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>N/A</td>
</tr>
</tbody>
</table>
| Clerks—Private Sector Award 2010 [MA000002]                                | No. Inserted on 23 March 2010 (PR994549, cl. 36).               | Yes                                         | Yes. Award contains an adult classification (outlined in Sch B 8.1.2 (viii)) describing some types of employees covered by the classification who are ‘trainees’ (ie Call centre customer contact trainees). The rate for these employees are provided for in cl. 16 and is:  
  • Level 1–$606–$653 per week  | No                                                                                                                   | N/A                                                                                              |
| Coal Export Terminals Award 2010 [MA000045]                                | No                                                              | No                                          | N/A                                                                                                                  | No                                                                                                                   | No                                                                                              |
| Commercial Sales Award 2010 [MA000083]                                     | No. Inserted on 5 March 2010 (PR994436, cl. 12).                | Yes                                         | No                                                                                                                   | No                                                                                                                   | N/A                                                                                              |
| Concrete Products Award 2010 [MA000056]                                   | No. Inserted on 31 March 2010 (PR994521, cl. 12).               | Yes                                         | No                                                                                                                   | No                                                                                                                   | N/A                                                                                              |
| Contract Call Centres Award 2010 [MA000023]                                | No. Inserted on 26 March 2010 (PR994508, cl. 30).               | Yes                                         | Yes. Award contains an adult classification (outlined in Sch B) describing some types of employees covered by the classification who are ‘trainees’ (ie Call centre customer contact trainees). The rate for these employees are provided for in cl. 18.1 and is:  
  • Customer Contact Trainee–$609 per week  | No                                                                                                                   | N/A                                                                                              |
| Correction and Detention (Private Sector) Award 2010 [MA000110] | Yes. See PR991077. | Yes. Award contains adult classifications outlined in Sch B.1, B.5.1 describing some types of employees covered by the classification who are ‘trainees’ (ie Trainee, Induction Trainee, Trainee Custodial Officer, and Trainee court security officer) The rates for these employees are provided for in cl. 14.1 and are:  
- Trainee—$591.44 per week  
- Induction Trainee—$613.50 per week | No | N/A |
| Cotton Ginning Award 2010 [MA000024] | No. Inserted on 23 March 2010 (PR994438, cl. 28). | Yes. Award contains an adult classification (outlined in cl. 13.3(b)) describing some types of employees covered by the classification who are ‘trainees’ (ie Assistant/trainee ginner as an indicative role for a Cotton ginning employee level). The rate for these employees are provided for in cl. 13.3(b) and is:  
- CG3—$617.30 per week | No | N/A |
| Dredging Industry Award 2010 [MA000093] | No. Inserted on 5 March 2010 (PR994444, cl. 5). | Yes No No N/A |
| Dry Cleaning and Laundry Industry Award 2010 [MA000096] | Yes. See PR991062. | Yes No No N/A |
| Educational Services (Post-Secondary Education) Award 2010 [MA000075] | No. Inserted on 23 March 2010 (PR994542, cl. 11). | Yes. Award contains adult classifications (outlined in Sch D.1.3(a), D.1.4(b) and D.1.5(b)) describing some types of employees covered by the classification who are ‘trainees’ (ie trainee for Level 2 duties, Technical assistant/technical trainee as indicative roles for General Staff Level 1 and 2). The rates for these employees are provided for in cl. 14.1 and are:  
- General staff Level 1—$606–$656 per week  
- General staff Level 2—$664–$676 per week | No | N/A |
| Educational Services (Schools) General Staff Award 2010 [MA000076] | No. Inserted on 26 March 2010 (PR994501, cl. 14). | Yes No No N/A |
| Educational Services (Teachers) Award 2010 [MA000077] | No | No | N/A | N/A | No |
### Australian apprentice minimum wages in the national system

<table>
<thead>
<tr>
<th>Modern Award</th>
<th>NTW Schedule attached as at 1 January 2010 (commencement date)?</th>
<th>NTW Schedule attached as at 1 January 2011?</th>
<th>Award contains NTW schedule and provides adult classification with word ‘trainee’ in award other than in NTW schedule?</th>
<th>Award contains NTW schedule and also provides wage rates for trainees other than in NTW schedule?</th>
<th>Award does not have NTW schedule but has trainee wage rates/classifications?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electrical, Electronic and Communications Contracting Award 2010 [MA000025]</td>
<td>No. Inserted on 23 March 2010 (PR994523, cl. 41).</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>N/A</td>
</tr>
<tr>
<td>Electrical Power Industry Award 2010 [MA000088]</td>
<td>No. Inserted on 5 March 2010 (PR994522, cl. 16).</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>N/A</td>
</tr>
<tr>
<td>Fast Food Industry Award 2010 [MA000003]</td>
<td>No. Inserted on 23 March 2010 (PR994446, cl. 30).</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>N/A</td>
</tr>
<tr>
<td>Fire Fighting Industry Award 2010 [MA000111]</td>
<td>No</td>
<td>No</td>
<td>N/A</td>
<td>N/A</td>
<td>No</td>
</tr>
<tr>
<td>Fitness Industry Award 2010 [MA000094]</td>
<td>Yes. See PR991059.</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>N/A</td>
</tr>
<tr>
<td>Food, Beverage and Tobacco Manufacturing Award 2010 [MA000073]</td>
<td>No. Inserted on 16 March 2010 (PR994527, cl. 16).</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>N/A</td>
</tr>
<tr>
<td>Funeral Industry Award 2010 [MA000105]</td>
<td>Yes. See PR991071.</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>N/A</td>
</tr>
<tr>
<td>Gardening and Landscaping Services Award 2010 [MA000101]</td>
<td>Yes. See PR991067.</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>N/A</td>
</tr>
<tr>
<td>Gas Industry Award 2010 [MA000061]</td>
<td>No. Inserted on 16 March 2010 (PR994448, cl. 15).</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>N/A</td>
</tr>
<tr>
<td>General Retail Industry Award 2010 [MA000004]</td>
<td>No. Inserted on 26 March 2010 (PR994449, cl. 40).</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>N/A</td>
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<tr>
<td>Graphic Arts, Printing and Publishing Award 2010 [MA000026]</td>
<td>No. Inserted on 31 March 2010 (PR994528, cl. 31).</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>N/A</td>
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<td>Modern Award</td>
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</tbody>
</table>
| Hair and Beauty Industry Award 2010 [MA000005] | No. Inserted on 16 March 2010 (PR994450, cl. 32). | Yes | No | Yes provides wages and classifications for traineeships outside NTW sch (cl. 19.4). Hairdressing trainees and graduates are:  
• Less than 1000 hours of full-time accredited training—$364.98 per week (55% of standard rate)  
• 1000–2000 hours of full-time accredited training—$497.70 per week (75% of the standard rate)  
• Hairdressing graduate (first 12 months)—$613.83 per week (92.5% of the standard rate) | N/A |
| Health Professionals and Support Services Award 2010 [MA000027] | No. Inserted on 26 March 2010 (PR994550, cl. 33). | Yes | No | No | N/A |
| Higher Education Industry—Academic Staff—Award 2010 [MA000006] | No | No | N/A | N/A | No |
| Higher Education Industry—General Staff—Award 2010 [MA000007] | No. Inserted on 17 December 2010 (PRS05242, cl 15). | Yes. Inserted on 17 December 2010 (PRS05242, cl 15). | Yes. Award contains adult classifications (outlined in Sch B) describing some types of employees covered by the classification who are ‘trainees’ (ie Trainee for Level 2 duties and Technical assistant/technical trainee, as indicative roles for a Higher Education Worker Level 1 and 3). The rates for these employees are provided for in cl. 15 and are:  
• HEW Level 1—$612.44–$631.67 per week ($31846.70–32846.70 per annum)  
• HEW Level 3—$666.38–710.53 per week ($34651.70–36947.70 per annum) | No | N/A |
<p>| Horse and Greyhound Training Award 2010 [MA000008] | No. Inserted on 5 March 2010 (PR994304, cl. 33). | Yes | No | No | N/A |
| Horticulture Award 2010 [MA000028] | No. Inserted on 5 March 2010 (PR994305, cl. 24). | Yes | No | No | N/A |</p>
<table>
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<tbody>
<tr>
<td>Hospitality Industry (General) Award 2010 [MAA00009]</td>
<td>Yes. See PR985119.</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>N/A</td>
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<tr>
<td>Hydrocarbons Field Geologists Award 2010 [MAA00064]</td>
<td>No. Inserted on 12 March 2010 (PR994543, cl. 10).</td>
<td>Yes</td>
<td>Yes. Award contains an adult classification (outlined in Sch B) describing some types of employees covered by the classification who are ‘trainees’ (ie Trainee Mudlogger). The rate for these employees is provided for in cl. 14.2 and is: • Trainee—$32043 per annum (or $614.24 per week) (Note: rate listed does not include allowances)</td>
<td>No</td>
<td>N/A</td>
</tr>
<tr>
<td>Hydrocarbons Industry (Upstream) Award 2010 [MAA00062]</td>
<td>No. Inserted on 12 March 2010 (PR994457, cl. 17).</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>N/A</td>
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<tr>
<td>Joinery and Building Trades Award 2010 [MAA00029]</td>
<td>No. Inserted on 16 March 2010 (PR994459, cl. 34).</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>N/A</td>
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<tr>
<td>Journalists Published Media Award 2010 [MAA00067]</td>
<td>No</td>
<td>No</td>
<td>N/A</td>
<td>N/A</td>
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<tr>
<td>Labour Market Assistance Industry Award 2010 [MAA00099]</td>
<td>Yes. See PR991065.</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>N/A</td>
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<tr>
<td>Legal Services Award 2010 [MAA00116]</td>
<td>Yes. See PR991083.</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>N/A</td>
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<tr>
<td>Live Performance Award 2010 [MAA00081]</td>
<td>No. Inserted on 26 March 2010 (PR994459, cl. 13).</td>
<td>Yes</td>
<td>Yes. Award contains an adult classification (outlined in Sch B.1.1) describing some types of employees covered by the classification who are ‘trainees’ (ie Productions and Support Staff Level 1 (Induction/ Training). The rate for these employees is provided for in cl. 13.2 and is: • Level 1—$569.90 per week</td>
<td>Yes provides wages and classifications for traineeships outside NTW sch cl 24.12 Company Dancers are: • Training level — $557.30—$653.60 per week</td>
<td>N/A</td>
</tr>
<tr>
<td>Local Government Industry Award 2010 [MAA000112]</td>
<td>Yes. See PR991079.</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>N/A</td>
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<tr>
<td>Mannequins and Models Award 2010 [MAA000117]</td>
<td>No</td>
<td>No</td>
<td>N/A</td>
<td>No</td>
<td>No</td>
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<tr>
<td>Manufacturing and Associated Industries and Occupations Award 2010 [MA000010]</td>
<td>No. Inserted on 31 March 2010 (PR994530, cl. 44).</td>
<td>Yes</td>
<td>No</td>
<td>Yes provides wages and classifications for traineeships outside NTW sch (cl 28.2 and 28.3) Technical field:</td>
<td>N/A</td>
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<tr>
<td></td>
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<td>• 17 years old—$362.10 per week (52.5% of C9)</td>
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<td>• 18 years old—$428.50 per week (62.6% of C9)</td>
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<td>• 19 years old—$518.17 per week (75.7% of C9)</td>
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<td>• 20 years old—$607.84 per week (88.8% of C9)</td>
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<td></td>
<td>Trainee engineer/ trainee scientist:</td>
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<td>• 17 years old—$395.67 per week (52% of C6)</td>
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<td>• 18 years old—$471.76 per week (62% of C6)</td>
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<td>• 19 years old—$570.68 per week (75% of C6)</td>
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<td>• 20 years old—$669.59 per week (88% of C6)</td>
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<td>• 21 years old—$696.22 per week (91.5% of C6)</td>
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<td></td>
<td>• 22 years old—$738.07 per week (97% of C6)</td>
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<tr>
<td>Marine Tourism and Charter Vessels Award 2010 [MA000093]</td>
<td>No. Inserted on 16 March 2010 (PR994460, cl. 13).</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
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<tr>
<td>Maritime Offshore Oil and Gas Award 2010 [MA000086]</td>
<td>No</td>
<td>No</td>
<td>N/A</td>
<td>N/A</td>
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<td>Market and Social Research Award 2010 [MA000030]</td>
<td>No. Inserted on 16 March 2010 (PR994462, cl. 9).</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>N/A</td>
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<tr>
<td>Meat Industry Award 2010 [MA000059]</td>
<td>No. Inserted on 26 March 2010 (PR994552, cl. 13).</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
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<tr>
<td>Medical Practitioners Award 2010 [MA000031]</td>
<td>No</td>
<td>No</td>
<td>N/A</td>
<td>N/A</td>
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<tr>
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<tr>
<td>Mining Industry Award 2010 [MA000011]</td>
<td>No. Inserted on 12 March 2010 (PR994464, cl. 32).</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
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<tr>
<td>Miscellaneous Award 2010 [MA000010]</td>
<td>Yes. See PR991070.</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>N/A</td>
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<tr>
<td>Mobile Crane Hiring Award 2010 [MA000032]</td>
<td>No. Inserted on 31 March 2010 (PR994531, cl. 37).</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
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<tr>
<td>Nursery Award 2010 [MA000033]</td>
<td>No. Inserted on 23 March 2010 (PR994503, cl. 31).</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
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<tr>
<td>Nurses Award 2010 [MA000034]</td>
<td>No</td>
<td>No</td>
<td>N/A</td>
<td>N/A</td>
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<tr>
<td>Oil Refining and Manufacturing Award 2010 [MA000072]</td>
<td>No. Inserted on 19 March 2010 (PR994532, cl. 13).</td>
<td>Yes</td>
<td>Yes. Award contains adult classifications (outlined in Sch B.1.3 and B.1.4) describing some types of employees covered by the classification who are ‘trainees’ (i.e. Trainee operator (level 1) and Trainee (level 1)). The rates for these employees are provided for in cl. 14.1 and are: • Refinery operations level 1—$582.75 per week • Lubricants/bitumen plants and terminals level 1—$569.90 per week</td>
<td>No</td>
<td>N/A</td>
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<tr>
<td>Passenger Vehicle Transportation Award 2010 [MA000063]</td>
<td>No. Inserted on 26 March 2010 (PR994467, cl. 12).</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
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<td>Pastoral Award 2010 [MA000035]</td>
<td>No. Inserted on 26 March 2010 (PR994545, cl. 45).</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>N/A</td>
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<td>Pest Control Industry Award 2010 [MA000097]</td>
<td>Yes. See PR991063.</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>N/A</td>
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<tr>
<td>Pharmaceutical Industry Award 2010 [MA000069]</td>
<td>No. Inserted on 16 March 2010 (PR994470, cl. 9).</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>N/A</td>
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<tr>
<td>Pharmacy Industry Award 2010 [MA000012]</td>
<td>No. Inserted on 12 March 2010 (PR994533, cl. 40).</td>
<td>Yes</td>
<td>No</td>
<td>Yes provides wages and classifications for traineeships outside NTW sch (Sch A, item A.10): • ‘500 hour student’ • $360.20 per week 500 hour students are considered trainees</td>
<td>N/A</td>
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<tr>
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<td>NTW Schedule attached as at 1 January 2010 (commencement date)?</td>
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<td>Plumbing and Fire Sprinklers Award 2010 [MA000036]</td>
<td>No. Inserted on 31 March 2010 (PR994534, cl. 54).</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
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<tr>
<td>Port Authorities Award 2010 [MA000051]</td>
<td>No. Inserted on 16 March 2010 (PR994535, cl. 12).</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
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<tr>
<td>Ports, Harbours and Enclosed Water Vessels Award 2010 [MA000052]</td>
<td>No</td>
<td>No</td>
<td>N/A</td>
<td>N/A</td>
<td>No</td>
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<tr>
<td>Poultry Processing Award 2010 [MA000074]</td>
<td>No. Inserted on 5 March 2010 (PR994308, cl. 8).</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>N/A</td>
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<tr>
<td>Premixed Concrete Award 2010 [MA000057]</td>
<td>No. Inserted on 16 March 2010 (PR994473, cl. 11).</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>N/A</td>
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<tr>
<td>Professional Diving Industry (Industrial) Award 2010 [MA000108]</td>
<td>No</td>
<td>No</td>
<td>N/A</td>
<td>N/A</td>
<td>No</td>
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<tr>
<td>Professional Diving Industry (Recreational) Award 2010 [MA000109]</td>
<td>Yes. See PR991076.</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>N/A</td>
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<tr>
<td>Professional Employees Award 2010 [MA000065]</td>
<td>No</td>
<td>No</td>
<td>N/A</td>
<td>N/A</td>
<td>No</td>
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<tr>
<td>Quarrying Award 2010 [MA000037]</td>
<td>No. Inserted on 16 March 2010 (PR994474, cl. 23).</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>N/A</td>
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<tr>
<td>Racing Clubs Events Award 2010 [MA000013]</td>
<td>No. Inserted on 31 March 2010 (PR994475, cl. 40).</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>N/A</td>
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<tr>
<td>Racing Industry Ground Maintenance Award 2010 [MA000014]</td>
<td>No. Inserted on 19 March 2010 (PR994476, cl. 37).</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>N/A</td>
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<td>Rail Industry Award 2010 [MA000015]</td>
<td>No. Inserted on 19 March 2010 (PR994538, cl. 38).</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>N/A</td>
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<td>Real Estate Industry Award 2010 [MA000106]</td>
<td>Yes. See PR991073.</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>N/A</td>
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</tbody>
</table>
### Australian apprentice minimum wages in the national system

<table>
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</thead>
</table>
| **Registered and Licensed Clubs Award 2010 [MA000058]** | No. Inserted on 26 March 2010 (PR994478, cl. 12). | Yes | No | Yes provides wages and classifications for traineeships outside NTW sch (cl. 17.9):  
  • 1st year—$696.42 per week (90% of Level 8)  
  • 2nd year—$735.11 per week (95% of Level 8)  
  • 3rd year—$754.46 per week (97.5% of Level 8)  
  • 4th year—$773.80 per week (100% of Level 8)  
  The management traineeship is linked directly to the Australian Qualifications Framework (App 1 to Sch C). | N/A |
| **Restaurant Industry Award 2010 [MA000119]** | Yes. See PR991086. | Yes | No | No | N/A |
| **Road Transport and Distribution Award 2010 [MA000038]** | No. Inserted on 16 March 2010 (PR994481, cl. 29). | Yes | No | No | N/A |
| **Road Transport (Long Distance Operations) Award 2010 [MA000039]** | No. Inserted on 31 March 2010 (PR994480, cl. 23). | Yes | No | No | N/A |
| **Salt Industry Award 2010 [MA000107]** | Yes. See PR991074. | Yes | No | No | N/A |
| **Seafood Processing Award 2010 [MA000068]** | No. Inserted on 31 March 2010 (PR994482, cl. 14). | Yes | No | No | N/A |
| **Seagoing Industry Award 2010 [MA000122]** | Yes. See PR991100. | Yes | No | No | N/A |
| **Security Services Industry Award 2010 [MA000016]** | No. Inserted on 26 March 2010 (PR994514, cl. 35). | Yes | No | No | N/A |
| **Silviculture Award 2010 [MA000040]** | No. Inserted on 23 March 2010 (PR994505, cl. 32). | Yes | No | No | N/A |
| **Social, Community, Home Care and Disability Services Industry Award 2010 [MA000100]** | No | No | N/A | N/A | No |
| **Sporting Organisations Award 2010 [MA000082]** | No. Inserted on 16 March 2010 (PR994484, cl. 13). | Yes | No | No | N/A |
## Australian apprentice minimum wages in the national system

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<tr>
<td>State Government Agencies Administration Award 2010 [MA000121]</td>
<td>Yes. See PR991089.</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>N/A</td>
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<tr>
<td>Stevedoring Industry Award 2010 [MA000053]</td>
<td>No. Inserted on 16 March 2010 (PR994485, cl. 15).</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>N/A</td>
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<tr>
<td>Storage Services and Wholesale Award 2010 [MA000084]</td>
<td>No. Inserted on 16 March 2010 (PR994486, cl. 12).</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>N/A</td>
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<td>Sugar Industry Award 2010 [MA000087]</td>
<td>No. Inserted on 26 March 2010 (PR994540, cl. 13).</td>
<td>Yes</td>
<td>Yes. Award contains adult classifications (outlined in Sch B.1.4 and B.1.6) describing some types of employees covered by the classification who are ‘trainees’ (ie trainee engineer, trainee scientist, cultivation/cane production inductee/trainee, cane haulage inductee/trainee, cane harvesting inductee/trainee). The rates for these employees are provided for in cl. 38 and are: • CPT (Inductee/Trainee)—$575.40 per week • CHAUT (Inductee/Trainee)—$604 per week • CHART (Inductee/Trainee)—$618.60 per week</td>
<td>No</td>
<td>N/A</td>
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<tr>
<td>Supported Employment Services Award 2010 [MA000103]</td>
<td>Yes. See PR991069.</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>N/A</td>
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<td>Surveying Award 2010 [MA000066]</td>
<td>No</td>
<td>No</td>
<td>N/A</td>
<td>N/A</td>
<td>Yes. Award contains adult classifications (outlined in Sch B.1.4 and B.1.6) describing some types of employees covered by the classification who are ‘trainees’ (Level 11 Trainee Assistant—Survey and Level 9 Trainee Technician—Survey). The rates for these employees are provided for in cl. 15 and are: • Level 11—$619.90 per week • Level 9—$705.30 per week</td>
</tr>
</tbody>
</table>
### Australian apprentice minimum wages in the national system

<table>
<thead>
<tr>
<th>Modern Award</th>
<th>NTW Schedule attached as at 1 January 2010 (commencement date)?</th>
<th>NTW Schedule attached as at 1 January 2011?</th>
<th>Award contains NTW schedule and provides adult classification with word ‘trainee’ in award other than in NTW schedule?</th>
<th>Award contains NTW schedule and also provides wage rates for trainees other than in NTW schedule?</th>
<th>Award does not have NTW schedule but has trainee wage rates/classifications?</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Telecommunications Services Award 2010 [MA000041]</strong></td>
<td>No. Inserted on 23 November 2010 (PR504196, cl. 1)</td>
<td>Yes. Inserted on 23 November 2010 (PR504196, cl. 1)</td>
<td>Yes. Award contains adult classifications (outlined in Sch B.2.1 and B.4.1) describing some types of employees covered by the classification who are ‘trainees’ (ie Customer Contact Trainee and Telecommunications Trainee). The rates for these employees are provided for in cl. 14.1(a) and (c) and are: • Customer Contact Trainee—$609 per week • Telecommunications Trainee—$609 per week</td>
<td>No</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Textile, Clothing, Footwear and Associated Industries Award 2010 [MA000017]</strong></td>
<td>No. Inserted on 31 March 2010 (PR994546, cl. 42).</td>
<td>Yes</td>
<td>Yes. Award contains an adult classification (outlined in Sch B.1) describing some types of employees covered by the classification who are ‘trainees’ (ie Trainee). The rate for these employees is provided for in cl. 20.1 and is: • Trainee—$569.90 per week</td>
<td>No</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Timber Industry Award 2010 [MA000071]</strong></td>
<td>No. Inserted on 31 March 2010 (PR994492, cl. 24).</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>N/A</td>
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<tr>
<td><strong>Transport (Cash in Transit) Award 2010 [MA000042]</strong></td>
<td>No. Inserted on 26 March 2010 (PR994309, cl. 19).</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>N/A</td>
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<td><strong>Travelling Shows Award 2010 [MA000102]</strong></td>
<td>Yes. See PR991068.</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Vehicle Manufacturing, Repair, Services and Retail Award 2010 [MA000089]</strong></td>
<td>No. Inserted on 19 March 2010 (PR994547, cl. 23).</td>
<td>Yes</td>
<td>No</td>
<td>Yes provides wages and classifications for traineeships outside NTW sch (cl 59.5) ‘drafting, planning and technical employees’ • 17 years old—$359.36 per week (52.5% of V6 rate) • 18 years old—$428.50 per week (62.6% of V6 rate) • 19 years old—$518.17 per week (75.7% of V6 rate) • 20 years old—$607.84 per week (88.8% of V6 rate)</td>
<td>N/A</td>
</tr>
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<td>Modern Award</td>
<td>NTW Schedule attached as at 1 January 2010 (commencement date)?</td>
<td>NTW Schedule attached as at 1 January 2011?</td>
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</table>
| Waste Management Award 2010 [MA000043] | No. Inserted on 19 March 2010 (PR994495, cl. 28). | Yes | Yes. Award contains adult classifications (outlined in Sch B) describing some types of employees covered by the classification who are ‘trainees’ (ie. Trainee driver of vehicle up to and including 14 tonnes GVM and Trainee driver of vehicle exceeding 14 tonnes GVM as indicative roles for a Level 3 and Level 4). The rates for these employees are provided for in cl. and are:  
• Level 3—$626.60 per week  
• Level 4—$638.10 per week | No | N/A |
| Water Industry Award 2010 [MA000113] | Yes. See PR991080. | Yes | No | No | N/A |
| Wine Industry Award 2010 [MA000090] | No. Inserted on 16 March 2010 (PR994496, cl. 11). | Yes | Yes. Award contains adult classifications (outlined in Sch B.3.1, B.4.1, B.5.1, B.6.2 and B.7.1) describing some types of employees covered by the classification who are ‘trainees’ (ie. trainee undertaking a three month induction training program). The rates for these employees are provided for in cl. 19 and are:  
• Grade 1 employee—$578.20 per week | No | N/A |
| Wool Storage, Sampling and Testing Award 2010 [MA000044] | No. Inserted on 19 March 2010 (PR994506, cl. 34). | Yes | Yes. Award contains adult classifications (outlined in Sch B.3.13(b) describing some types of employees covered by the classification who are ‘trainees’ (ie. trainee shipping officer, trainee classer, and wool classer trainee as indicative roles for a Wool Industry Worker Level 2). The rates for these employees are provided for in cl. 13 and are:  
• Wool industry Worker Level 2—$606.22 per week | No | N/A |
| Total | 25 | 100 | 18 | 7 | 6 |

Note: There are 22 modern awards that do not contain the NTW Schedule.

* Table correct as at 1 January 2011
Appendix 23—NTW adjustment method

Extracts from the ‘Application by the Shop, Distributive and Allied Employees Association to vary the National Training Wage Award 2000 re the Safety Net Review—Wages May 2003 Decision National Training Wage Award 2000, Transcript of Proceedings, (C2003/2533), 2 July 2003’

Full-time trainees

Rather than including the full amount of Safety Net Adjustment granted by the Full Bench in PR002003 Safety Net Review—Wages May 2003 the rates in this award are adjusted for the Safety Net Adjustment. This is because the National Training Wage Award rates are based on a percentage of key award rates. The rates in the application have been adjusted the same way they have been adjusted for each Safety Net Adjustment since 1994 when the award was created.

This method of adjustment maintains the relativities in the award as initially set. The wage rates upon which the National Training Wage Award rates are based are all below the wage ceiling for the $17 Safety Net Adjustment so the calculations are based on the $17 level of Safety Net Adjustment. Specifically, for wages levels A, B and C, full time rates in subclauses 11.4, 11.5 and 11.6, the top rates are increased by 80 per cent of the Safety Net Adjustment. 80 per cent of the $17 on this occasion is $13.60 which is rounded to $14.

All other rates increase by an amount which maintains their relativity to the top rate in the wage level, that is they increase by a percentage of the $13.60, that percentage being the percentage that the rate is of the top rate so if a rate, for example, is 90 per cent of the top rate, it would increase by 90 per cent of $13.60. The exception to this is the lowest rates at each wage level which are calculated at wage level B. All full-time rates are then rounded to the nearest dollar. For the school based fulltime rates in subclause 11.7, the year 12 rate is equal to the wage levels A, B and C rate for school leaver plus one year out of school having completed year 10, that is the rate of $227.

The year 11 rate is calculated as created at approximate to 80 per cent of the 16 year old Victorian Clerk which adjusted for the Safety Net Review 2003 Decision is $258.80, 80 per cent of which is $207. The certificate for [IV] traineeship rates in subclause 11.8.2(b) are calculated as follows: The first year of traineeship rates equal the wage level A, B and C top rates plus 3.8 per cent. The second year of traineeship rates are 3.8 per cent above the first year traineeship rates.

Part-time trainees

The part time hourly rates - the full time rates in clauses, sorry, paragraphs 4.11 - sorry, 11.4, 11.5 and 11.6 are based on four day’s work and one day’s training per week. To calculate the part time rates, the full time rates are converted to five day rates by multiplying by 1.25 and then divided by 38 to give an hourly rate.