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Apprentice wages must be urgently lifted to meet Australia's skills needs; unions to launch test case

Apprentice wages need to be urgently lifted to give young people a pathway to a secure job and to ensure Australia continues to have a skilled workforce, say unions.

To remedy a crisis in the Australian apprenticeship system, unions will launch one of the biggest test cases in recent years by applying to Fair Work Australia to establish a new, fairer safety net for hundreds of thousands of apprentices.

ACTU President Ged Kearney said low wages and an inability to afford basic living costs were a major reason why about half of people who begin an apprenticeship drop out before they complete their training.

She said the wage structure had failed to keep pace with changes to the workforce and economy over the past two decades, with almost a quarter of apprentices now aged 25 or older, and almost 90 per cent of all workers in apprentice training are aged 18 or older.

The current pay rates are barely enough to survive on and experts project a shortfall of 36,000 trade workers in the resources sector alone by 2015.

In the application to Fair Work Australia, unions will seek to ensure that all adult apprentices earn at least the minimum wage in their industry. More than 200,000 workers stand to benefit from the ACTU claim.

"Today, many apprentices are beginning their training at a later age and have family responsibilities, or at least no longer live with their parents and must support themselves," Ms Kearney said.

"Yet the apprentice pay structure does not account for this, with some of these workers still paid as low as \$6.32 an hour, which is less than the Newstart allowance.

"Such low wages are a key reason given by apprentices for the increasingly high drop-out rate, but they are also a major disincentive for even taking up an apprenticeship in the first place.

"At a time when Australia is facing severe skills shortages, we need to be investing in training young people to develop the skills to meet our future economic challenges, rather than importing them from overseas. If Australia wants to be a skilled nation into the future then we must address as a matter of urgency the massive inequity in the way we pay apprentices.

"We also need to provide young Australians with secure jobs, and there is clear evidence that completing an apprenticeship provides workers with access to a well-paid, well-skilled and ongoing work.

"Australia also has the second highest rate of insecure work in the developed world so it is imperative that we provide workers with the right skills and qualifications they need to ensure they have the best chance at finding secure work for their futures."

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