

Thursday, 31 January 2013

Embargoed until 5.00pm

Unions push for apprentices to be paid a living wage

Unions will push for a wage rise for apprentices to allow them to cope with the cost of living and ease future shortages in skilled trades.

The ACTU today lodged a submission with the Fair Work Commission calling for wages for all apprentices aged under 20 to be a minimum of 60 per cent of the trades rate, or \$11.15 an hour. Older apprentices would be required to be paid at the minimum award classification for their job.

The measure would help turn around apprenticeship completion rates which have dropped to a worrying 55 per cent. One in three apprentices do not even make it through the first year.

ACTU Secretary Dave Oliver said that the apprenticeship system was failing to keep up with changes in society and apprentices could not meet basic living costs on their current pay.

“The make-up of Australia’s apprentice workforce has changed dramatically in the past three decades, but pay rates are stuck in a time warp.

“Apprentices today are no longer 15 or 16 years old - more than half of them are in their 20s and many have mortgages or children to support.

“While they recognise the long-term value of completing an apprenticeship, severe financial pressures often leave them no choice but to delay or drop out.”

“In some cases apprentices earn barely more than the Newstart allowance.

“For example, a first year electrical apprentice will earn \$288.37 a week under their Award, while an 18-year-old trainee at McDonald’s is earning \$540 a week – a difference of \$251.63.”

Mr Oliver said research showed that low pay was discouraging school leavers from taking up apprenticeships in the first place.

He warned that unless pay was increased the drop in both start and completion rates would increase and damage Australia’s economic future.

“Apprenticeships have been a cornerstone of the training system in Australia and we want them to stay that way,” Mr Oliver said.

“They provide young people with a combination of work and training that prepares them for a secure job and a career for life.

“They also ensure that Australia’s productivity is not damaged by shortages of important trades.”

The full bench of the Fair Work Commission will begin hearings into the review of wages and conditions for apprentices, trainees and juniors at the start of March. The case is being heard as part of the two-yearly review of the Modern Awards system which came into being in 2010.

The ACTU submission will be available at actu.org.au after it is lodged.

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