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**Wednesday 21 September 2005**

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## The Sydney Morning Herald

### **PM spreads his revolution to apprentices**

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Publication: Sydney Morning Herald (1,Wed 21 Sep 2005)  
Edition: First  
Keywords: **ACTU (1),Sharan (1),Burrow (1)**

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\* Single body to set conditions \* Recipe for wage cuts, say unions

Control over wages and conditions for almost 400,000 apprentices and trainees will be handed to a new national body and rules governing the length of apprenticeships scrapped under sweeping changes announced by the Federal Government.

Unions and state governments condemned the plans yesterday as a recipe for cutting pay and entitlements.

A new Australian Fair Pay Commission will set minimum wages for young workers which have traditionally been negotiated in awards and under state laws.

The Government will also ensure the commission's decisions on apprenticeships will override existing award conditions.

The Prime Minister, John Howard, said minimum wages would be set "at levels that ensure they are competitive in the labour market" but the Federal Opposition seized on these words as "code for slashing the wages of Australian apprentices".

The legislation will strip existing award conditions deemed to "restrict" the range of apprenticeships - including award-imposed rules governing their duration and training content - and open the way for school-based and part-time apprenticeships.

It could pave the way for shorter and more narrowly focused apprenticeships than the traditional model of four years' training in a trade.

The Fair Pay Commission will have discretion to set separate minimum wages for all categories of trainees now covered by awards. But is not due to begin operation until late next year, so Mr Howard said the Government would legislate to set minimum pay levels to apply until then.

Mr Howard advocated the changes to address Australia's skills shortage, saying the various state industrial relations systems were too inflexible and

a barrier to "skills development". He argued that too many young people were going to university and taking subjects which did not suit them. "A 20 per cent dropout rate in the first year of university tells us something is going wrong."

But figures from the National Centre for Vocational Education Research show the dropout rate for apprentices and trainees is far higher. Almost 140,000 apprentices and trainees withdrew from training in the March quarter, more than the number who completed their training (138,500). Apprentice and trainee cancellations and withdrawals rose by 12 per cent in the year to March 2005 - and are more than 60 per cent higher than in the year to March 2001.

The **ACTU** president, **Sharan Burrow**, fears the removal of "full-quality" qualifications and wage safety nets. "This will mean that instead of being guaranteed a trade qualification as a passport to a valued career, the Government and their employer allies will be able to put young people onto very low wages to be trained in narrow parts of jobs rather than the whole trade."

However, the Australian Chamber of Commerce and Industry's chief executive, Peter Hendy, applauded the changes. "It is essential that the Australian workplace relations system keeps pace with education and training reforms and initiatives so as to ensure the provision of opportunities to Australians and the transfer of skilled workers into the labour market."

Labor's training spokeswoman, Jenny Macklin, and industrial relations spokesman, Stephen Smith, said: "This is a proposal from John Howard, who, in 1992, said he wanted to see a 'dramatically lower minimum wage for young people'."

They added: "Apprentices are already being offered Australian Workplace Agreements with all-up rates of \$6.90 an hour for a 40-hour week, including sick pay, penalty rates and other allowances."

The NSW Industrial Relations Minister, John Della Bosca, said it hit the most vulnerable workers and could go on for decades.

With AAP

#### BASIC TRAINING

\* Minimum wages for trainees to be set by a new commission "at levels that ensure they are competitive in the labour market".

\* Commission decisions to override award conditions.

\* Removal of limits on length of new apprenticeships.

\* Commission to establish minimum training wages for all types of apprenticeships.

\* Standard minimum wages for school-based training.

'People are working these crazy hours.'

The dilemmas of older apprentices - Page 4

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