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CEPU  
Submission

to the

Fair Work Commission  
Annual Wage Review 2023

31 March 2023

# Annual Wage Review 2022-23

## CEPU Submission

1. The Communications Electrical Electronic Energy Information Postal Plumbing and Allied Services Union of Australia (CEPU), Electrical Energy and Services Division, is the principal union for electrical and electrotechnology tradespeople and apprentices in Australia.
2. The CEPU supports and adopts the submissions of the Australian Council of Trades Unions (ACTU) in the Annual Wage Review 2022-23, filed on 31 March 2023.
3. These further submissions are confined to:
  - a. the adjustment of apprentice, adult apprentice and trainee wages in the Annual Wage Review 2022-23; and
  - b. matters raised by the *Background Paper* on the adjustment of apprentice, adult apprentice and trainee wages in Annual Wage Review 2021-22, published by the Fair Work Commission on 10 March 2023.<sup>1</sup>
4. The CEPU submits that in addition to any increase to apprentice, adult apprentice and trainee wages awarded in the Annual Wage Review 2022-23, the wage rates of apprentices and trainees in adult classifications that did not increase by at least \$40.00 in the Annual Wage Review 2021-22 should be increased by the balance of \$40.00 less any increase applied in the Annual Wage Review 2021-22.

### 1. BACKGROUND

5. On 28 June 2022 the Expert Panel issued a statement in the *Annual Wage Review 2021-22* (the **2022 Statement**)<sup>2</sup> addressing submissions of the ACTU, CEPU and MEU on the application of the *Annual Wage Review 2021-22* decision to adult apprentices and adult employees on the national training wage rates.

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<sup>1</sup> *Annual Wage Review 2022-23—Adjustment of adult apprentice and trainee wages* ('Background Paper') [2023] Fair Work Commission.

<sup>2</sup> *Annual Wage Review 2021-22* [2022] FWCFB 113.

6. The ACTU submission was that the *'draft determinations, as they presently are, do not ensure that a minimum increase of \$40 per week is afforded to all adult rates'* and that they *'should be amended as necessary to ensure that all adult rates in modern awards (including those applicable to apprentices and to trainees) increase by \$40 per week.'*<sup>3</sup> That submission was supported by the CEPU.<sup>4</sup>
7. The Expert Panel determined not to amend the determinations in the manner proposed by the ACTU, CEPU and MEU, on the basis:
  - a. the draft determinations were said to reflect the historical approach to adjusting apprentice and trainee rates and preserve the relativities between those rates and the other award rates.<sup>5</sup>
  - b. the Expert Panel was required by the Fair Work Act 2009 to publish final determinations before 1 July 2022 and that statutory deadline was imminent.<sup>6</sup>
  - c. the proposal, if adopted, would affect many employers and employees who have not had an opportunity to make submissions about the issues raised by the ACTU.<sup>7</sup>
8. The Expert Panel invited the parties to raise the issue in submissions to the Annual Wage Review 2022-23.

## **2. 2021-22 ANNUAL WAGE REVIEW**

9. Referring to ABS data for May 2021 and HILDA survey data, the Expert Panel in the 2021-22 Annual Wage Review determined that workers paid at the NMW rate (then \$20.33 per hour) and at award classification levels below the C10 rate (\$23.67 per hour) were at that time 'low paid' within the meaning of s.134(1)(a) and s.284(1)(c) of the Act.<sup>8</sup>
10. The Expert Panel award an increase of \$40 to the NMW, which amounted to an increase of 5.2 per cent. It did so on the basis that the increase would protect the real value of the wages of the

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<sup>3</sup> ACTU Response to Draft Determinations in Annual Wage Review 2021-2022 [\[2022\] Australian Council of Trade Unions](#), [3].

<sup>4</sup> ETU Submissions to the Fair Work Commission regarding the Annual Wage Review's Draft Determinations [\[2022\] Communications Electrical Electronic Energy Information Postal Plumbing and Allied Services Union of Australia](#).

<sup>5</sup> Annual Wage Review 2021-22 [2022] FWCFB 113, [19].

<sup>6</sup> Annual Wage Review 2021-22 [2022] FWCFB 113, [20].

<sup>7</sup> *Ibid.*

<sup>8</sup> Annual Wage Review 2021-22 [\[2022\] FWCFB 3500](#), [106]-[107].

lowest-paid workers.<sup>9</sup> The increase to the NMW at a rate calculated to protect the real value of wages was held to have no material impact on ‘the performance and competitiveness of the national economy’ given the relatively small number of employees on the NMW, at 1.6% of all employees in 2022.<sup>10</sup>

11. The Expert Panel considered submissions of Ai Group and the ACTU that a flat dollar increase to wages should not be awarded to other low-paid classifications (that is, outside the NMW) because such an increase would disturb or distort relativities between classification levels. The Expert Panel nonetheless determined that the circumstances warranted an approach which affords a greater level of support to the low paid while seeking to constrain inflationary pressures.<sup>11</sup> The Expert Panel awarded an increase to modern award minimum wages by 4.6% subject to a minimum increase to adult award classifications of \$40 per week, with the effect:

*Wage rates in adult award classifications that are below \$869.60 per week will be increased by \$40 per week.*<sup>12</sup>

### **3. APPLICATION OF 2021-22 AWR DETERMINATION TO APPRENTICES**

12. The 2021-22 Review decision gave effect to the minimum \$40.00 flat-dollar increase only where the relevant minimum wages were expressed in dollar terms.<sup>13</sup> For many – but not all – apprentice classifications whose minimum wages were expressed as a percentage of the minimum wage rate of a trade-qualified classification, this resulted in only a fraction of the \$40.00 minimum increase being applied to their wages.
13. The *Electrical, Electronic and Communications Contracting Award 2020* illustrates the inconsistency of the outcomes applied to apprentices in the 2021-22 Review. Adult apprentice classifications with wages expressed as a percentage of a tradespersons’ rate (Electrical Worker Grade 5) received less than the minimum \$40.00, while adult apprentice classifications with wages

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<sup>9</sup> *Ibid.*, [180].

<sup>10</sup> *Ibid.*, [181].

<sup>11</sup> *Ibid.*, [187]-[189].

<sup>12</sup> *Ibid.*, [192].

<sup>13</sup> *Ibid.*, [452].

expressed as 100% the lowest non-apprentice classification (Electrical Worker Grade 1) received the full \$40.00 increase:<sup>14</sup>

**Prior to 1 January 2014**

1st year: 40% of EW5 (\$376.36; +\$16.56, 4.6%)

2nd year: 52% of EW5 (\$489.27; +\$21.53, 4.6%)

3rd year: 70% of EW5 (\$658.63; +\$28.98, 4.6%)

4th year: 82% of EW5 (\$771.54; +\$33.95, 4.6%)

**On or after 1 January 2014**

1st year: 80% of EW5 (\$752.72; +\$33.12, 4.6%)

2nd year: EW1 (\$823.80; +\$40.00, 5.1%)

3rd year: EW1 (\$823.80; +\$40.00, 5.1%)

4th year: EW1 (\$823.80; +\$40.00, 5.1%)

14. Likewise in the *Electrical Power Industry Award 2020*, adult apprentice rates expressed as a percentage of the Level 3 rate received an increase of only 4.6%, while adult apprentice rates expressed as 100% of the lowest non-apprentice rate (Level 1) received the \$40.00 minimum increase. This despite each of the classifications being low-paid:<sup>15</sup>

**Commence prior to 1 January 2014**

1st year: 70% of Pay Level 3 (\$659.05; +\$28.98, 4.6%)

2nd year: 80% of Pay Level 3 (\$753.20; +\$33.12, 4.6%)

3rd year: 85% of Pay Level 3 (\$800.28; +\$35.19, 4.6%)

4th year: 90% of Pay Level 3 (\$847.35; +\$37.26, 4.6%)

**Commenced on or after 1 January 2014**

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<sup>14</sup> *Annual Wage Review 2022–23—Adjustment of adult apprentice and trainee wages* ('Background Paper') [\[2023\] Fair Work Commission, Appendix A](#).

<sup>15</sup> *Ibid.*

1st year: 80% of Pay Level 3 (\$753.20; +\$33.12, 4.6%)

2nd year: Pay Level 1 (\$838.40; +\$40.00, 5.0%)

3rd year: Pay Level 1 (\$838.40; +\$40.00, 5.0%)

4th year: 90% of Pay Level 3 (\$847.35; +\$37.26, 4.6%)

15. The Annual Wage Review decision 2021-22 explicitly accepted that relativities between classifications would be compressed across low-paid classifications by the application of the \$40.00 minimum increase, saying:

*'...the approach we have adopted will result in some, albeit minor, compression in relativities, but that consideration is to be balanced against the need to provide greater relief to low-paid workers in the context of rising cost of living pressures. Given the current strength of the labour market the adjustment we propose to make will not have a significant adverse effect on 'the performance and competitiveness of the national economy' (ss.134(1)(h) and 284(1)(a)).'*<sup>16</sup>

16. The relativities between adult apprentices in different years of their apprenticeship were slightly distorted by the inconsistent application of the \$40.00 minimum increase in the 2021-22 review. In the examples above from the *Electrical Power Industry Award 2020* and *Electrical, Electronic and Communications Contracting Award 2020*, wages pegged to 100% of the lowest non-apprentice classification rate increased by a higher percentage than wages pegged to a percentage of the tradespersons' rate. In the *Electrical Power Industry Award*, the difference between the rate of a third year and fourth year adult apprentice contracted from 1% to 0.7% the third-year rate.
17. The adult apprentice classification tables extracted in Schedule A to the *Background Paper* prepared by the Commission on this issue shows that changes of a similar nature to the relativities between adult apprentice classification rates occurred under many Awards. In 49 of 157 awards examined in Schedule A to the *Background Paper*, the application of the 2021-22 Annual Wage Review resulted in less than the \$40.00 minimum increase to wages for some but not all adult apprentice classifications below the low-paid threshold.<sup>17</sup>
18. In circumstances where the Expert Panel has already found that compression of relativities between classifications did not preclude the award of a \$40.00 minimum increase to wages in

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<sup>16</sup> [\[2022\] FWCFB 3500](#) at [194].

<sup>17</sup> *Ibid.*

service of the needs of the low-paid, the CEPU submits that compression of relativities between adult apprentice classifications and the tradesperson (or other) classifications to which they have historically been pegged should not have precluded the award of the full value of the \$40.00 minimum increase to adult apprentices.

#### 4. NEEDS OF THE LOW-PAID

19. The Expert Panel in the 2021-22 Annual Wage Review considered a number of changes in economic circumstances in the 2021-22 year against the statutory criteria, including:

- a. CPI growth at 5.1 per cent over the year to March quarter 2022, compared with 1.1 per cent in the previous year;<sup>18</sup>
- b. Non-discretionary components of the CPI increased by 6.6 per cent over the year to the March quarter 2022;<sup>19</sup>
- c. Reduced unemployment, at 3.9 per cent in April 2022, compared with 5.5 per cent in the previous year;<sup>20</sup>
- d. WPI growth at 2.4 per cent over the year to March quarter 2022, compared with 1.5 per cent over the previous year;<sup>21</sup>

20. The Expert Panel accepted the Reserve Bank of Australia's *Statement on Monetary Policy* that price increases in non-discretionary purchases such as rent, fuel and basic food staples are more likely to adversely affect the household budgets of the low paid.<sup>22</sup> In the context of the higher (6.6%) increase in the non-discretionary components of the CPI, the Expert Panel found that the trimmed mean understated the impact of cost of living increases on low-paid workers.<sup>23</sup>

21. The Expert Panel found that the circumstances at the time of the Annual Wage Review 2021-22 warranted an approach which afforded a greater level of support to the low paid, which took the form of a minimum \$40.00 increase to adult award classifications at or below \$869.60 per week.<sup>24</sup>

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<sup>18</sup> [\[2022\] FWCFB 3500](#) at [125]-[128].

<sup>19</sup> [\[2022\] FWCFB 3500](#) at [133].

<sup>20</sup> [\[2022\] FWCFB 3500](#) at [123].

<sup>21</sup> [\[2022\] FWCFB 3500](#) at [121].

<sup>22</sup> [\[2022\] FWCFB 3500](#) at [132]-[133].

<sup>23</sup> [\[2022\] FWCFB 3500](#) at [178].

<sup>24</sup> [\[2022\] FWCFB 3500](#) at [191]-[192].

22. We submit that the findings outlined above weighed in favour of a minimum increase of \$40.00 to adult apprentice classifications despite any disruption to the relativities of those classifications to other classifications of their respective award. For those adult apprentices engaged in classifications at or below \$869.60 per week which were not increased by at least \$40.00 in the Annual Wage Review 2021-2022 we submit that Expert Panel should award a flat rate increase for the balance of \$40.00 before applying any increase determined for the year 2022-23.

## 5. BUDGET STANDARDS FOR LOW-PAID FAMILIES

23. The Fair Work Commission has commissioned research of budget standards by the Social Policy Research Centre at the University of New South Wales, to update a 2017 report that priced budgets in 2013 and had been updated based on the Consumer Price Index in subsequent annual wage reviews. The 2023 report of that research, *Budget Standards for Low-Paid Families*,<sup>25</sup> updates the basket of goods and services to reflect consumption patterns, and prices those goods and services in the third quarter of 2022. The budget reflects the Minimum Income for Health Living (MIHL), a standard that reflects how much is required to satisfy basic needs, with no allowance for even the most modest or occasional luxuries and with minimum wastage.<sup>26</sup>

24. Derived from Table 10 of that report, household budgets for MIHL adjusted for housing in the 40<sup>th</sup> percentile Sydney rents are as follows for other than single-parent households:<sup>27</sup>

|                                      | Single person, FT | Single earner couple | Single earner couple, 1 child | Single-earner couple, 2 children | Dual earner couple | Dual earner couple, 1 child | Dual earner couple, 2 children |
|--------------------------------------|-------------------|----------------------|-------------------------------|----------------------------------|--------------------|-----------------------------|--------------------------------|
| Total (excl housing & discretionary) | 337               | 596                  | 762                           | 888                              | 608                | 814                         | 998                            |
| Housing                              | 426               | 461                  | 461                           | 461                              | 461                | 495                         | 495                            |

<sup>25</sup> Bedford, Megan; Bradbury, Bruce and Naidoo, Yuvisthi (2023), *Budget Standards for Low-Paid Families*. Report prepared for the Fair Work Commission, Melbourne, Australia.

<sup>26</sup> *Ibid.*, p.2-3.

<sup>27</sup> *Ibid.*, p.45, Table 10.



|   |            |              |              |              |              |              |              |
|---|------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>Total (incl housing, excl discretionary)</b> | <b>802</b> | <b>1,056</b> | <b>1,224</b> | <b>1,349</b> | <b>1,271</b> | <b>1,309</b> | <b>1,493</b> |
| Discretionary                                   | 89         | 99           | 93           | 90           | 84           | 111          | 106          |
| <b>Total (incl housing &amp; discretionary)</b> | <b>891</b> | <b>1,155</b> | <b>1,317</b> | <b>1,439</b> | <b>1,154</b> | <b>1,420</b> | <b>1,599</b> |

25. Derived from Table 11 of the report, household budgets for MIHL adjusted for housing in the 40<sup>th</sup> percentile Sydney rents are as follows for single-parent households:<sup>28</sup>

|   | <b>Single parent, FT, 1 child</b> | <b>Single parent, PT, 1 child</b> | <b>Single parent, FT, 2 children</b> | <b>Single parent, PT, 2 children</b> |
|---|-----------------------------------|-----------------------------------|--------------------------------------|--------------------------------------|
| Total (excl housing & discretionary)            | 579                               | 559                               | 756                                  | 719                                  |
| Housing   | 461                               | 461                               | 495                                  | 495                                  |
| <b>Total (incl housing, excl discretionary)</b> | <b>1,040</b>                      | <b>1,020</b>                      | <b>1,250</b>                         | <b>1,213</b>                         |
| Discretionary                                   | 96                                | 87                                | 109                                  | 100                                  |
| <b>Total (incl housing &amp; discretionary)</b> | <b>1,136</b>                      | <b>1,107</b>                      | <b>1,359</b>                         | <b>1,313</b>                         |

26. Table 14 of the report shows that the minimum wage for full time workers, reckoned at \$812.60 per week as at 1 July 2022, are below the MIHL budget adjusted for housing in all households except for “Dual-earner couple” and “Dual-earner couple, 1 child”. At the lowest pay relative to their MIHL budget was single parent part-time employees with two children (65%), single parent part-time employees with one child (66%), and single-earner couples (69%).

27. Table 14 of the report shows that the minimum wage for full time workers, reckoned at \$812.60 per week as at 1 July 2022, are below the MIHL budget adjusted for housing in all households

<sup>28</sup> *Ibid.*, p.46, Table 11.

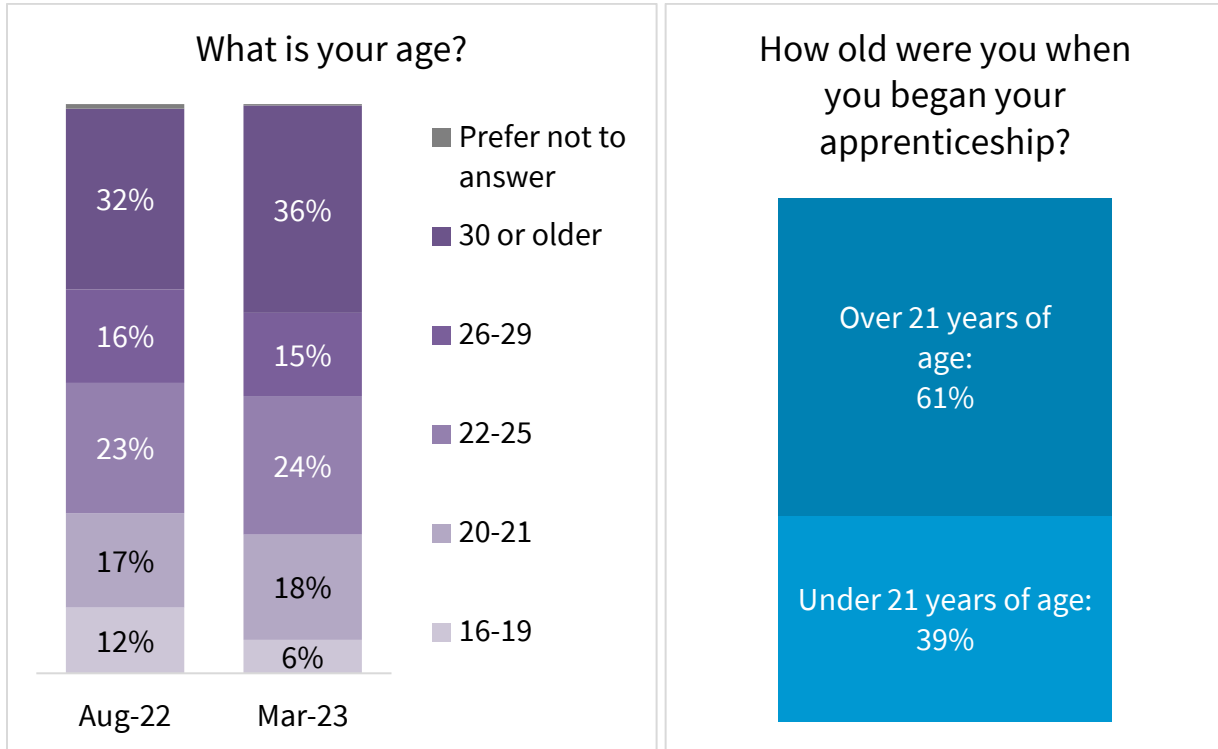
except for “Dual-earner couple” and “Dual-earner couple, 1 child”. At the lowest pay relative to their MIHL budget was single parent part-time employees with two children (65%), single parent part-time employees with one child (66%), and single-earner couples (69%).

28. None of the adult apprentice rates in the *Electrical Power Industry Award 2020* or the *Electrical, Electronic and Communications Contracting Award 2020* meet the MIHL adjusted for housing and discretionary expenses. The first year classification for adult apprentices falls below the MIHL adjusted for housing (exclusive of discretionary expenses) for each modelled household and all other classifications fall below the MIHL adjusted for housing for any household with children.
29. Given available data for the location of that employee cohort within the range of modelled households – we submit that a substantial number of adult apprentices engaged under those awards do not meet the MIHL adjusted for housing.

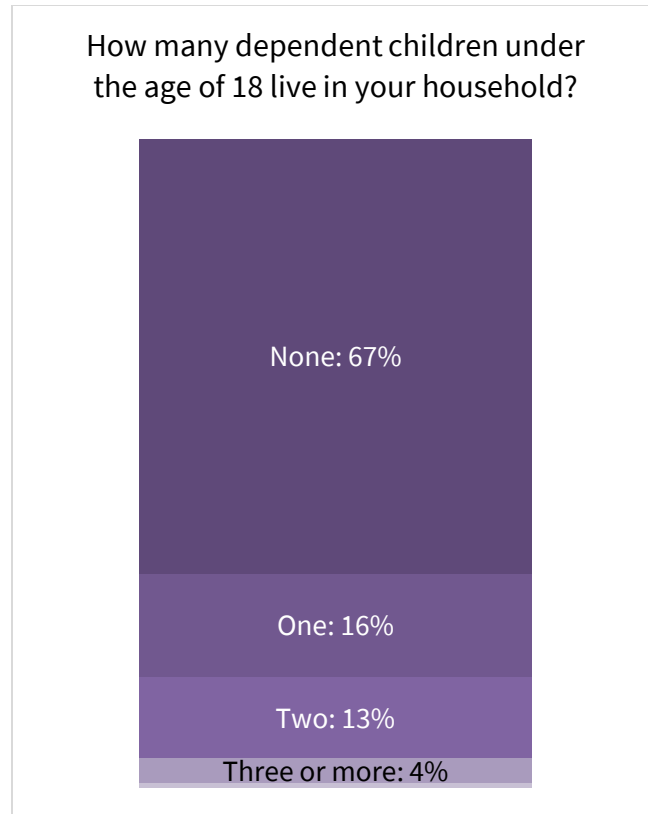
## 6. ESSENTIAL RESEARCH – APPRENTICES SURVEY

30. The CEPU commissioned a survey by Essential Media of 390 apprentices in the Electrical Contracting and the Electrical Power industries in March 2023. At time of writing a draft report of the results of that survey is available, with a full report due in April this year. We expect that a complete report will be published in advance of reply submissions in this Annual Wage Review.
31. Not all of the respondents would be low-paid employees. 28% of respondents to the survey reported being paid at award rates, with a further 8% unsure of how their rates of pay compared with award rates. Of the remainder, 49% reported being paid above award rates in line with an enterprise agreement and 15% reported being paid above award rates under the terms of an employment contract. Further analysis is required to disambiguate the responses of employees paid at award rates.
32. Nonetheless, the results of the survey help to identify the circumstances of electrical apprentices including apprentices who would be covered by the *Electrical, Electronic and Communications Contracting Award 2020* (**Electrical Contracting Award**) and *Electrical Power Industry Award 2020* (**Power Industry Award**). Those circumstances provide context for the location of electrical apprentices within the range of household budgets mapped by *Bedford, Bradbury and Naidoo* (2023).

33. In all, 75% of respondents were over the age of 21 at the time of completing the survey, broadly consistent with the results from a survey in the same series in 2022. 61% of respondents were over the age of 21 at the time that they began their apprenticeship and would therefore be adult apprentices under the terms of the *Electrical Contracting Award* or *Power Industry Award*:

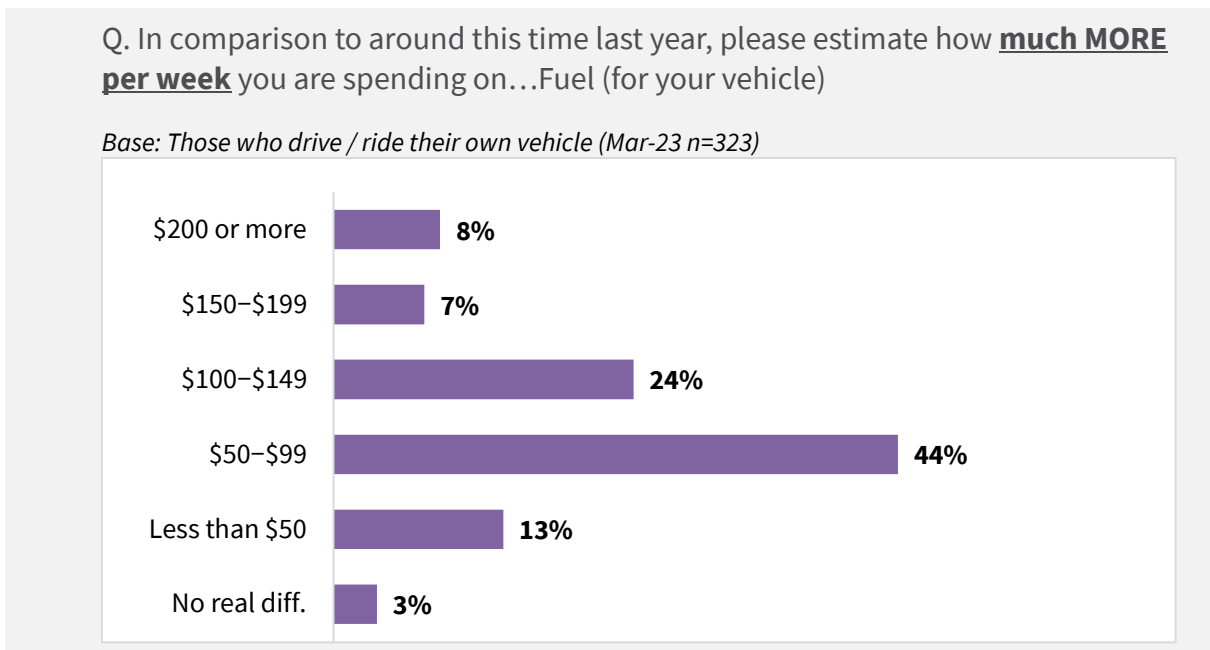
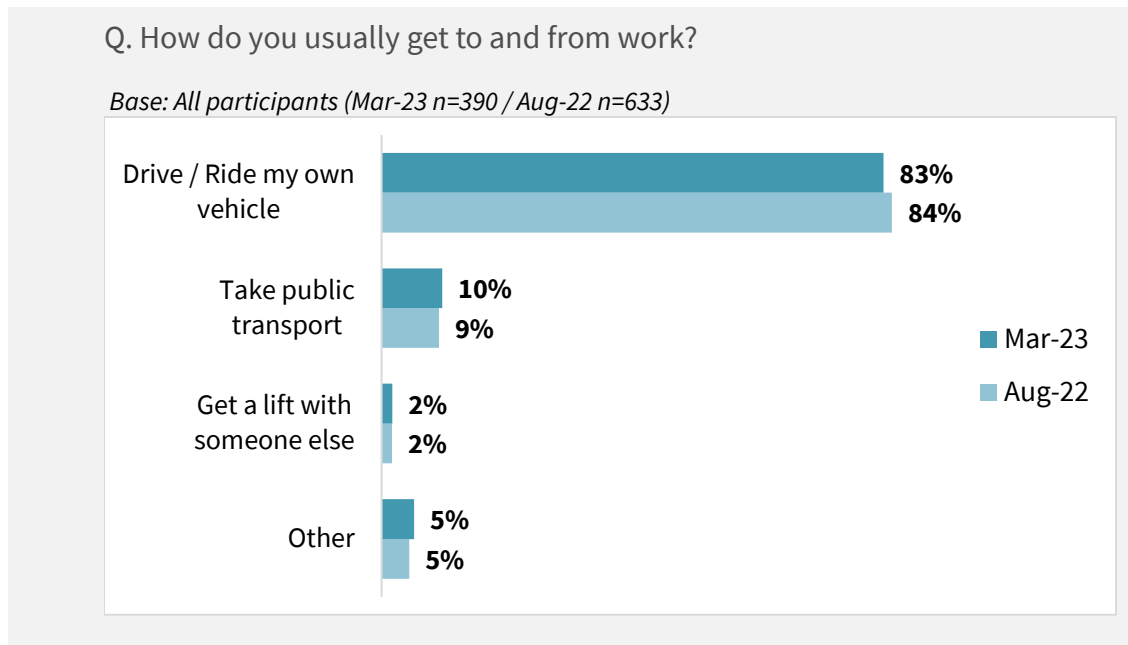


34. About a third of respondents had at least one dependent child under the age of 18 in their household:



35. That cohort of apprentices with dependent children would at the pay rates provided in the *Electrical Power Industry Award 2020* or the *Electrical, Electronic and Communications Contracting Award 2020* be unable to meet the MIHL adjusted for housing.
36. There are a number of features of the apprentice cohort which distinguish them from the households constructed by *Bedford, Bradbury and Naidoo (2023)* for the purpose of mapping household budgets. We submit that those points of difference expose the apprentice cohort to costs of living which have seen the most pronounced increase in the year to March 2023. Most notably, respondents indicate a substantial amount of travel in the course of their work which we submit leaves them more exposed to increases in petrol prices.

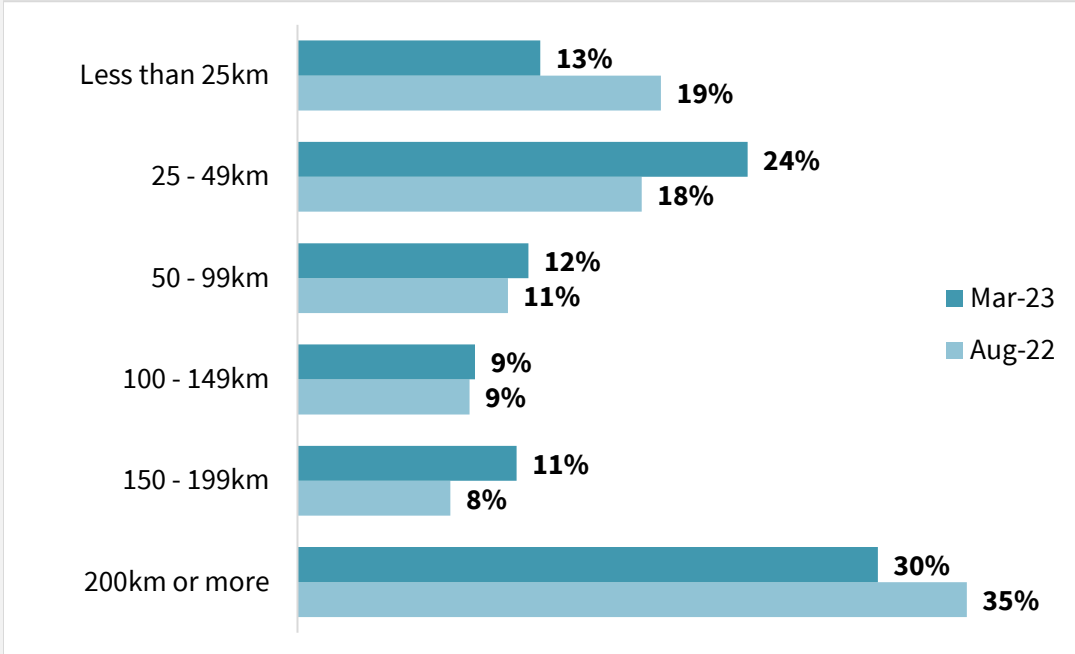
37. Apprentices are substantially more likely, at a rate of more than 80%, to provide their own means of transport for travel to and from work and report a substantial increase in fuel expenditure in the year to March 2023:



38. Over half of the apprentice cohort who drive or ride to work are travelling 100km or more to and from per week:

Q. On average, how many kilometres do you travel TO and FROM work per week (NOT including travel during work)?

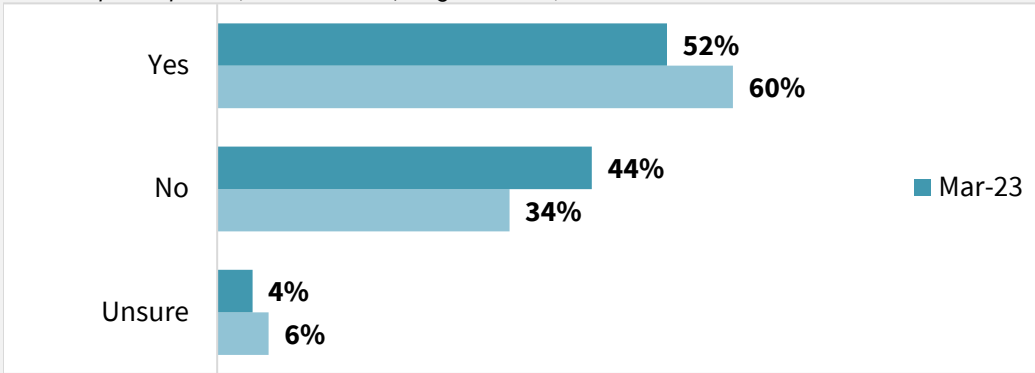
Base: Those who drive / ride to and from work (Mar-23 n=323 / Aug-22 n=533)



39. Of those who were paid at award rates, only 24% reported that their wages cover bare necessities. Compared with results of a survey in the same series, from August 2022, there has been an increase in sentiment across the apprentice cohort that their wage is not adequate to cover bare necessities:

Q. Do you feel your wage is adequate to cover bare necessities, such as food, travel and housing?

Base: All participants (Mar-23 n=390 / Aug-22 n=633)



40. That trend in sentiment among electrical apprentices is consistent with broader data from the National Australia Bank's quarterly Household Financial Stress Index. The Index rose to a 3 year high in the December 2022 quarter.<sup>29</sup> The index rose in each component in the December 2022 quarter, climbing overall to 44.2 points, up from 41.3 points in the previous quarter and 40.3 points in December 2021.<sup>30</sup> When asked if they were better or worse off financially than this time last year, the lowest income respondents had a net balance of 35% saying they were worse off.<sup>31</sup>

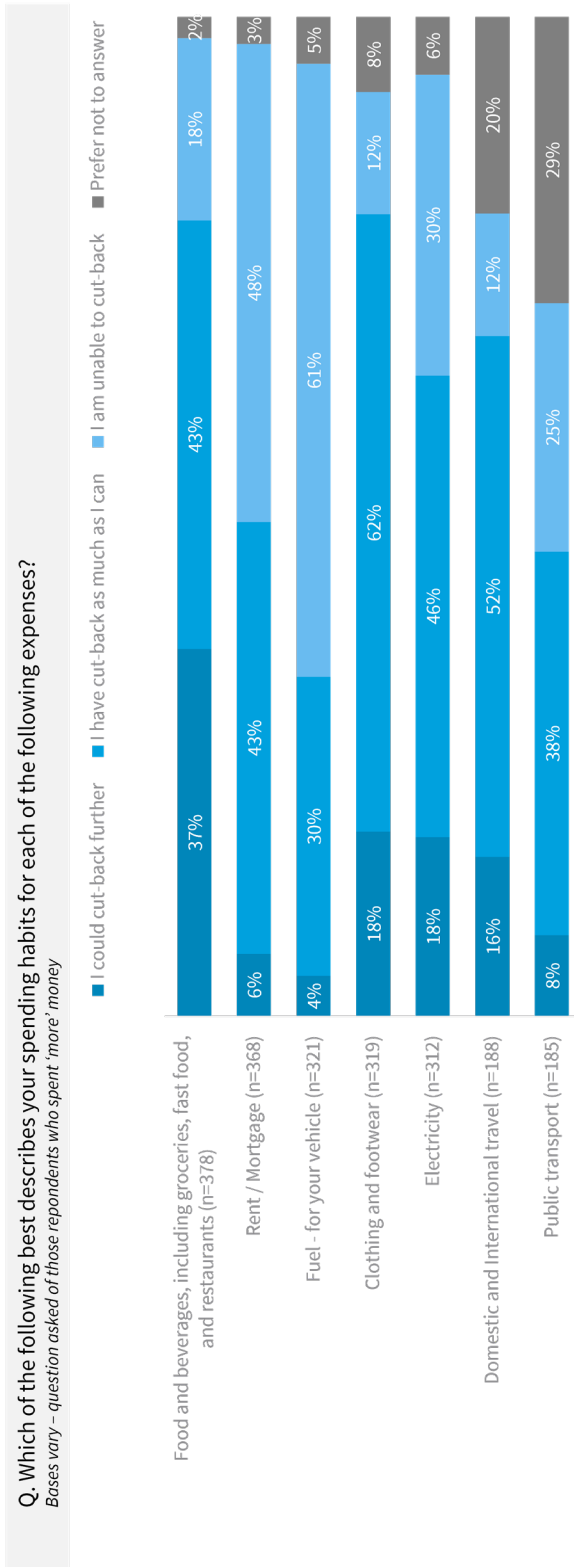
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<sup>29</sup> Pearson and De lure (National Australia Bank), *NAB Australian Wellbeing Survey Q4 2022*, 8  
<<https://business.nab.com.au/wp-content/uploads/2023/02/NAB-Australian-Wellbeing-Survey-Q4-2022-1.pdf>>

<sup>30</sup> Ibid

<sup>31</sup> Ibid

41. Across the apprentice cohort surveyed by Essential Media, respondents reported very little room to cut back in spending on items other than food and beverages:





## 7. RELATIVITIES IN APPRENTICE RATES

42. In the course of drafting of the *Electrical, Electronic and Communications Contracting Award 2010* apprentice rates were originally drawn from the Victorian rates of the *Electrical Contractors Award* in an exposure draft.<sup>32</sup> The *Electrical, Electronic and Communications Contracting Award 2010* as made by order dated 3 April 2009 included junior apprentice minimum wage rates expressed as a percentage of the electrical worker grade 5 (EW5) rate:

| <b>Year of apprenticeship</b> | <b>%</b> |
|-------------------------------|----------|
| <i>1st year</i>               | 40       |
| <i>2nd year</i>               | 52       |
| <i>3rd year</i>               | 70       |
| <i>4th year</i>               | 82       |

*(ii) In addition to the minimum wage payments arising from clause [16.4\(a\)](#), apprentices will be paid the full amount of the tool allowance in clause [17.2\(b\)](#), and the fares allowances in clause [17.5\(d\)](#) and the percentages shown in clause [16.4\(a\)](#) of the electrician's licence allowance in clause [17.2\(c\)](#) the travel time allowance in clause [17.5\(c\)](#), and the industry allowance in clause [17.2\(a\)](#).<sup>33</sup>*

43. Those relativities reflected in the Victorian *Electrical Contractors Award* were not uniform across the industry. Immediately prior to the creation of the *Electrical, Electronic and Communications Contracting Award 2010*, the *Electrical, Electronic and Communications Contracting Industry (State) Award* in NSW provided for apprentice and trainee rates of pay that were defined independently of tradespersons rates as flat rates of pay.<sup>34</sup>

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<sup>32</sup>Award Modernisation [\[2009\] AIRCFB 50](#), [51].

<sup>33</sup> *Electrical, Electronic and Communications Contracting Award 2010*, [\[2009\] AIRCFB 345](#), cl.16.

<sup>34</sup> *Electrical, Electronic and Communications Contracting Industry (State) Award [180]* [2009] IRC 1572; [\(2009\) NSW Industrial Gazette, Vol 369](#), p.831.

**PART B**

**MONETARY RATES**

**Tables 1 - Wages**

| <i>Classification</i> | <i>Relativity</i> | <i>Former Weekly Rate</i><br>\$ | <i>SWC 2009 Adjustment</i><br>% | <i>Minimum Weekly Rate</i><br>\$ |
|-----------------------|-------------------|---------------------------------|---------------------------------|----------------------------------|
| Grade 5               | 100%              | 682.70                          | 2.8                             | 701.80                           |

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*Indentured Apprentices*

| <i>Year</i> | <i>Former Weekly Rate</i><br>\$ | <i>SWC 2009 Adjustment</i><br>% | <i>Minimum Weekly Rate</i><br>\$ |
|-------------|---------------------------------|---------------------------------|----------------------------------|
| <i>1st</i>  | 244.35                          | 2.8                             | 251.20                           |
| <i>2nd</i>  | 331.60                          | 2.8                             | 340.90                           |
| <i>3rd</i>  | 479.00                          | 2.8                             | 492.40                           |
| <i>4th</i>  | 550.00                          | 2.8                             | 565.40                           |

*Trainee Apprentices*

| <i>Year</i> | <i>Former Weekly Rate</i><br>\$ | <i>SWC 2009 Adjustment</i><br>% | <i>Minimum Weekly Rate</i><br>\$ |
|-------------|---------------------------------|---------------------------------|----------------------------------|
|-------------|---------------------------------|---------------------------------|----------------------------------|

|     |        |     |        |
|-----|--------|-----|--------|
| 1st | 281.65 | 2.8 | 289.55 |
| 2nd | 377.30 | 2.8 | 387.85 |
| 3rd | 527.75 | 2.8 | 542.55 |
| 4th | 579.00 | 2.8 | 595.20 |

44. The same NSW Award in expressed apprentice wages in separate rates rather than as a percentage of the Grade 5 rate at least as far back as 2001.<sup>35</sup>
45. Immediately prior to award modernisation the NSW *Electricians, &c. (State) Award* also expressed apprentice wages in separate rates rather than as a percentage of the Grade 5 rate.<sup>36</sup> A practice which was also consistently applied at least as far back as 2001.<sup>37</sup>
46. The Background Paper outlines the amendment of relativities between apprentice and tradespersons rates in the course of the 2013 Transitional Review of modern awards.<sup>38</sup> We do not cavil with that historical context to the current relativities in the adult apprentice rates of most Awards. However, we submit that the application of a flat rate of increase of \$40.00 to adult apprentice rates as they were immediately prior to the Annual Wage Review 2021-22 results in only minor compression of the relativities in those classification rates. The object of preserving a ‘training wage’ discounted for impact of training on productive work is not frustrated by such a modest increase. Weighed against the interests of apprentices as low-paid employees, that minor adjustment of relativities with qualified trades classifications is justified.

## 8. IDENTIFICATION OF ADULT WAGE RATES

47. Finally, we submit that the cohort of apprentices to benefit from the minimum \$40.00 increase on rates as they were prior to the Annual Wage Review 2021-22 should be expanded to include certain classifications described as “Junior Apprentices”.

<sup>35</sup> *Electrical, Electronic and Communications Contracting Industry (State) Award [180]* [2001] IRC 3951; [\(2001\) NSW Industrial Gazette, Vol 327](#).

<sup>36</sup> *Electricians, &c. (State) Award [293]* [2008] IRC 1257; (2008) [NSW Industrial Gazette, Vol 327](#), p.1252, [2].

<sup>37</sup> *Electricians, &c. (State) Award [293]* [2001] IRC 3954; (2001) [NSW Industrial Gazette, Vol 325](#), Part 5, cl.4.

<sup>38</sup> *Annual Wage Review 2022–23—Adjustment of adult apprentice and trainee wages* (‘Background Paper’) [\[2023\] Fair Work Commission](#), [34]-[40].

48. Whereas historically most modern awards have since at least 2013 included Junior Apprentice rates for persons under 21 years of age and Adult Apprentice rates for persons of 21 years or older at the commencement of their apprenticeship, a number of Awards provide further distinction on the basis of high school completion. The *Electrical, Electronic and Communications Contracting Award 2010*, for example, contains three broad categories of apprentice classifications:
- a. Junior Apprentices who have not completed Year 12 (including School-Based Apprentices);
  - b. Junior Apprentices who have completed Year 12; and
  - c. Adult Apprentices who are 21 years old or older at commencement of their current training contract.
49. Almost all Junior Apprentices who have completed Year 12 will be over 18 years of age or older on the commencement of their training contract, reflecting the average age bracket for completion of a High School Certificate or equivalent qualification. It is in practice an ‘adult’ classification, in the sense that primarily adults will hold the classification.
50. Further, as clause 12.10 of the Award prescribes that an apprenticeship will be 4 years, it can be assumed that a Junior Apprentices who has completed Year 12 will be usually be at least 21 years of age or older in the final year (and potentially the third year) of their apprenticeship. Thus even applying a threshold of 21 years of age, the Junior Apprentice classification for those who have completed Year 12 is an adult classification.
51. We submit that in the *Electrical, Electronic and Communications Contracting Award 2010* and Awards like it that have separate apprentices wage rates for those who have completed Year 12, the \$40.00 minimum increase determined in the Annual Wage Review 2021-22 should apply in addition to any further increase determined for 2022-23.

## 9. CONCLUSION

52. In the course of considering the needs of the low paid, the Commission should have regard to the extent to which low-paid workers are able to purchase the essentials for a decent standard of living and to engage in community life, assessed in the context of contemporary norms.<sup>39</sup> In this

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<sup>39</sup> [2019] FWCFB 3500 at [17].

it should be guided by its own modelling of hypothetical households against the poverty line in the Statistical Report,<sup>40</sup> and also by the MIHL proposed by *Bedford, Bradbury and Naidoo (2023)* as it affects low-paid employees who may be above the poverty line.

53. We submit that the burden of CPI increases, especially in non-discretionary items, across both the 2021-22 and 2022-23 review periods recommends a substantial increase to the rates of apprentices, being low-paid employees. In addition to any increase determined in respect of the 2022-23 review period, apprentices should benefit from the full value of the \$40.00 minimum increase that was only partially realised in the Annual Wage Review 2021-22.

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<sup>40</sup> FWC Statistical Report Version 1, Table 8.6, p74 <<https://www.fwc.gov.au/documents/wage-reviews/2022-23/statistical-report-version-%201-2023-03-03.pdf>>