



CRA BULLETIN

Issue 29 – 29 August 2006

Signed: _____ Dated: _____

Apprentice Wages

Many members have asked for some kind of guideline to help with setting wage rates for apprentices. It should be very clear that we do not become involved in recommendations, but that said, we are happy to list below the sorts of considerations which you may wish to take into account when setting apprentice rates.

- Whilst recognizing minimum rates, the starting rate needs to be competitive and also take into account current market rates.
- You may wish to put a premium on an apprentice who has completed a pre-trade course or year 13 at school.
- Regular increases should be structured at 6 monthly intervals to increase pay from the starting rate to the tradesperson rate over the length of the apprenticeship.
- MITO forecasted the length for these qualifications is as follows:
 - NC Panelbeating – 36 months
 - NC Refinishing – 24 months
 - In both cases extra time may be added to allow for on the job training

The criteria to move to the next wage level should include, but not be limited to:

- Consistent progress towards their chosen qualification through regular completion of theory study.
- Satisfactory attendance at off job training.
- Completion of a minimum number of credits per year (Please note that MITO requires a minimum of 45 credits completed per annum).
- Job review of work completed.

Minimum rates.

As a reminder, please note that from March 27th 2006, the adult rate (18 years and over) increased to \$10.25 and the youth rate (16 or over but not yet 18) to \$8.20. The training rate also increased to \$8.20. This training rate applies to people doing recognized industry training (regardless of age), undertaking at least 60 credits per year.

The following are 2 examples that show how to structure apprentice pay rates.

Example 1.

This situation covered an apprentice painter who had already begun his apprenticeship.

He had passed 10 units at a pre-apprenticeship course before starting with his current employer. This meant that to complete his apprenticeship, he needed:

- 17 assistant refinisher units
- 16 national certificate units
- 4 elective units

He started on \$9 per hour and his wage was increased by 20¢ per unit passed, making a total pay rate increase of \$7.40 after completing the 37 units. On completion of his apprenticeship this put him on a rate of \$16.40 as a first year tradesman.

His employer found that an increase in pay for each unit passed was a good incentive for the apprentice to get stuck in to his studies. Passing 2 units per month was very achievable meaning the theory work could be completed within 2 years.

Example 2.

This table was based on a tradesperson's rate of \$15.00 per hour.

Year	After pre apprentice course	No pre apprentice course
Starting	\$ 9.00	\$ 8.50
6 months	\$ 9.75	\$ 9.25
1 year	\$10.50	\$10.00
1½ years	\$11.25	\$10.75
2 years	\$12.00	\$11.50
2½ years	\$12.75	\$12.25
3 years	\$13.50	\$13.00
3½ years	\$14.25	\$13.75
4 years	\$15.00	\$14.50