

Plan to stem tide of dropouts, at cost to fast food giants

Pay lure for young tradies

APPRENTICES in traditional trades may get a pay rise, but wage subsidies to fast food and other retail giants could be slashed.

In a bold blueprint to tackle an apprentice drop-out rate of more than half, young workers in trades such as plumbing and mechanics would be paid higher market-linked wages.

They would also be able to fast-track their on-the-job training — qualifying much faster if they prove they have the necessary skills.

Steve Lewis

National political correspondent

But thousands of traineeship jobs in big retail stores, restaurants and fast-food chains are at risk, with a Government-appointed taskforce calling for major changes to \$1.2 billion in annual subsidies.

The apprenticeships taskforce has also recommended a new “training levy” on employers to boost skilled workers and ensure the economy keeps ticking

over. But Minister for Skills and Workplace Relations Chris Evans has immediately stomped on the plan — putting him at odds with his own taskforce.

After a 12-month inquiry, the taskforce warned that Australia’s 400,000-strong apprenticeship scheme needs “significant improvement” to make sure the economy has sufficient skilled labour.

It recommends an army of “mentors” to ensure apprentices receive proper

training — and are not used as mere factory fodder.

In a controversial plan to cut a drop-out rate of 52 per cent, the Government has been told to slash tens of millions of dollars in traineeship subsidies paid to retailers, restaurants and fast-food outlets such as KFC and McDonald’s.

In its final report, “A Shared Responsibility — Apprenticeships for the 21st Century” the group, chaired by BAE Systems chief executive Jim McDowell has

slammed these subsidies as little more than a “labour market program”.

These amounted to an “implicit wage subsidy to the employer of up to 20 per cent”, but did little to boost overall skill levels, the panel found.

Senator Evans conceded the \$1.2 billion paid by Canberra in annual subsidies for apprentice and traineeships had to change.

“Clearly, we could target it better,” he said.

But the Government will

be picking a brawl with powerful employer groups and some of Australia’s biggest companies — including Woolworths and Coles — if it cuts millions of dollars in subsidies.

The taskforce wants the Government to consider linking apprentice wages with “going rates of pay”.

This would mean a first-year apprentice — now paid \$250-\$300 a week — would receive higher wages on average, giving incentive to stay in the trade.