

Taxpayers forced to pay up to 74 per cent more for apprentices on major projects

Taxpayers could be on the hook for crippling pay increases of up to 74 per cent for electrical apprentices working on major infrastructure projects in NSW.

The Electrical Trades Union (ETU) owned training organisation, Electrogrouop Group Training, is trying to force through a new enterprise agreement without properly consulting industry or apprentices.

The [agreement lodged with the Fair Work Commission](#) (FWC) proposes three separate wage increases between now and October 2022. Immediate increases are as high as 66 per cent, with cumulative increases up to 74 per cent. The increases vary depending on the size of project the apprentice is working on and the year of the apprenticeship.

If approved by the FWC, the agreement would mean that by October 2022 fourth year apprentices will earn \$1,524 per week plus superannuation when working on a project valued over \$802 million. This does not include any overtime, which is charged at double time. Course costs for electrical apprenticeships are covered by the NSW Government.

After self-funding their university education or taking on thousands of dollars in HELP debt, a first-year graduate nurse or midwife makes around \$1,240 weekly plus uniform and shift allowances, while a first-year graduate teacher earns \$1,389 per week.

With a starting salary of up to \$100,000, under existing pay agreements newly qualified electricians working on major projects can expect to be more than \$200,000* better off than a newly qualified nurse after both have had a year on the job.

Electrogrouop employs apprentices who gain on-the-job experience – often on taxpayer funded infrastructure projects - with host electrical contractors.

NSW Government major projects often mandate a minimum 20 per cent of the workforce to be apprentices. If approved, the new conditions have the potential to add millions of dollars in increased costs for building new schools, hospitals, roads and rail.

Host companies, which were not consulted on the increased rates, will be forced to either increase their delivery rates or let the apprentices go.

The National Electrical and Communications Association (NECA) is disputing the agreement in the Fair Work Commission (FWC) as Electrogrouop failed to properly explain this to the affected apprentices voting on the agreement.

Oliver Judd, CEO of NECA, said:

“Increasing the cost of employing an apprentice by more than 70 per cent is unsustainable at the best of times, but to do this in the middle of a pandemic when many people can’t work is a slap in the face.

“The government and the NSW public have bent over backwards to get construction back to work and this is how the union responds.

“What’s worse is how badly Electrogrouop are letting down hundreds of their own young apprentices. They haven’t properly explained to them the impact this will have on their careers.

“It is now simply unaffordable to host Electrogrouop apprentices. That’s why the Fair Work Commission has to put a stop to the agreement.

“NECA wants to sit down with the union and discuss a sustainable future for the electrical contracting industry.”

If the agreement is approved by the FWC, industry fears the ETU will use militant tactics against business to force exorbitant rates for all apprentices.

“We are concerned our members may face onsite problems or even site shutdowns, which could slow the whole construction sector. Electrogrouop’s attempt to force through this agreement is the tip of the iceberg and what is really needed is wholesale industrial relations reform, so we have a fair system for employers and employees,” added Mr Judd.

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	Electrical apprentice on major project (based on existing agreement not that proposed be Electrogrouop)	Nurse
Earnings for studying/ training for duration of qualification	\$200,000 (avg, based on NECA data)	\$0
Cost to individual of studying/ training	\$0	\$11,850 (\$ 3,950 x 3)
First year salary once qualified	\$100,000	\$64,480 (\$1,240 x 52)
Total earnings during training and one year qualified minus study costs	\$300,000	\$52,630

Notes for editors

The National Electrical and Communications Association, is the peak industry body representing the interests of the electrical and communications contracting industry across Australia. We have close to 5,000 member organisations.

NECA is run by contractors, for contractors, and represents members in all states and territories of Australia. All our board members – at the national and state and territory level, are electrical contractors. And each board has a good mix of small, medium and large enterprises represented. As a result, we understand what our members are looking for in our member services and technical support.