Merri Creek Management Committee
Policy on Wages for Trainees

Discussion

On occasion, MCMC employs trainees as part of its work, partly as a contribution to industry development, but partly to get access to new skills and cheaper labour. Trainees spend on average 1 day per week in paid training leave.

Concern has been expressed that the rate of pay under the base level of the National Training Wage Award (level c)(a maximum of $245 net) is less than Jobskills does not reflect the level of skill we require from a trainee, and is very difficult to live on.

Inquiries to the CES have indicated that Parkland Management Team trainees are considered to fall into level c, however that employers are free to pay whatever they wish above the minimum, which according to the CES many do.

As from 25/6/97, the comparative gross weekly pay rates were:
National Training Wage Award
Level c: $134 - $290 depending on schooling and experience
Level b: $134 - $335 depending on schooling and experience
Level a: $134 - $353 depending on schooling and experience

Local Government Interim Award
Level 1: $375.30 - $403.00
Level 2: $416.30 - $439.90
Level 3: $451.20 - $506.50 (this is the band Parkland Management Team Members start at)

The National Training wage Award is structured partly in recognition that trainees spend approximately 1 day in off the job training.

MCMC employed its first trainee in Feb 1997 on theParkland Management Team. Since then we have hosted another trainee in the Parkland Management Team, one in Community Education and one in Special Projects.

Traineeships have provided the organisation with the opportunity to contribute to the industry's development whilst obtaining additional labour at a cheaper rate. The reduction in labour costs has assisted the Parkland Managment Team to continue to provide high qulaity works at competitive rates, however MCMC does not want to be seen to be exploiting the traineeship system.

Trainees get a health care card for the first 6 months of their traineeship, which entitles them to a range of benefits and discounts.

There is the potential for traineeship pay levels to fall below the povery line. Payment below the poverty line would also constitute exploitation. Poverty line information is published 2-4 months after the quarter by the Melbourne Institute of Applied Economic and Social Research on a quarterly basis. A subscription costs $20. The poverty line depends on whether the head of the family is in the workforce, whether the family is based on a couple or a single person/parent, whether housing is included and how many children there are. Families with the head not in the workforce are issued a healthcare card, and so are considered not to need such high levels of pay.

As of September quarter 1997 (the latest figures available)
- Single person head in workforce, housing included gross pay $282, (tax $42.15)
- Single person head not in workforce, housing included gross pay $220 (tax $24.70)
- Couple plus 4 children head in workforce net pay $582.05 (note that this is higher than Parkland Management Team members get paid, however we don't have any staff members in this category)

Use of the poverty line as a basis of establishing pay levels is a very significant change away from MCMC's practice, which has been to pay at award rates.

As of 19/3/98 the policy below would mean that no trainee would be paid less than $282 gross.

Policy

This policy aims to:

- be a useable guideline for determining the pay rate for a range of trainees over time.
- narrow the gap between trainees pay rates and the Local Government Interim Award.
- avoid paying trainees below the poverty line.

All trainees at MCMC will be paid at least at the Single Person Head in Workforce Housing Included poverty line or at National Training Wage Award level b, whichever is higher. If a trainee starts with high skill levels, they will be paid at the highest of the Single Person Head in Workforce Housing Included poverty line, or at National Training Wage Award level a.

Decisions on applicable rates are to be made by the Manager with advice from other staff.

The latest poverty line information available will be used to determine applicable rates.

Policy recommended by Policy and Issues Subcommittee on 19/3/98(item 4) and adopted by the Committee of Management on 16/4/98 (Item 5.1.3)