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**AUSTRALIAN INDUSTRIAL
RELATIONS COMMISSION**

Junior Rates Inquiry
(C No. 33985 of 1998)

**JUSTICE MUNRO
DEPUTY PRESIDENT DUNCAN
COMMISSIONER RAFFAELLI**

ISSUES PAPER

22 December 1998

Comments or enquiries relating to this Issues Paper may be directed to

The Secretary
Junior Rates Inquiry
Australian Industrial Relations Commission
80 William Street
East Sydney NSW 2011

Ph 02 9332 0803

Fax 02 9332 0639

This paper and selected attachments including a Conspectus of selected award junior rate extracts and an Examination of 274 certified agreements with junior rates containing the expression “16 years” and “17 years” are available on the Australian Industrial Relations Commission web site
<http://www.airc.gov.au>

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1. THE JUNIOR RATES INQUIRY IN PERSPECTIVE:

1.1 Terms of Reference:

1.1.1 The terms of reference of the Inquiry into Junior Rates being conducted by the Australian Industrial Relations Commission, (the Commission), were effectively established by section 120B of the *Workplace Relations Act 1996* (the Act). That Section provides:

“120B Commission to report on junior rates of pay

(1) Before 22 June 1999, a Full Bench must prepare a report for the Minister on the feasibility of replacing junior rates with non-discriminatory alternatives.

- (2) *The report must include assessments of:*
- (a) *whether it is desirable to replace junior rates with non-discriminatory alternatives; and*
 - (b) *the consequences for youth employment of abolishing junior rates; and*
 - (c) *the utility of junior rates:*
 - (i) *for different types of employment; and*
 - (ii) *for different industries; and*
 - (iii) *in the school-to-work transition.*
- (3) *The Minister must cause a copy of the report to be tabled in each House of the Parliament as soon as practicable after the Minister receives it.*
- (4) *In this section, junior rates means junior rates of pay.”*

1.2 Procedure:

1.2.1 On 3 August 1998 the President of the Commission established a Full Bench constituted by Munro J, Duncan DP and Raffaelli C to prepare the report to the Minister required by section 120B of the Act.

1.2.2 The Full Bench, (the Inquiry), first met on 21 August 1998 to consider the task before it and the procedure it would adopt. In determining a procedure, the Inquiry took into account the positions that had been reached by the industrial parties to the proceedings before a Full Bench constituted in 1996 by the then President to deal with training rates and related award issues. Details of the procedure that the Inquiry intended to follow were communicated on 21 August 1998 to a list of organisations known to be interested in issues about youth employment and remuneration.

Advertisements published on 26 August 1998 called for submissions by 30 September 1998, and described how interested persons could get access to a fuller statement of the Inquiry's procedure.

1.2.3 The procedure and timetable declared by the Inquiry at its meeting on 21 August 1998, as later revised, is to the following effect:

6 November 1998	Deadline for written submissions to be lodged by interested persons.
21 - 24 December 1998	The Inquiry will prepare and distribute an Issues Paper for comment by particular persons or organisations selected from those who have made a written submission.
15 - 17 February 1999 and 22 - 26 February 1999	The Inquiry will consult with, or hear oral presentations from selected organisations about the matters identified in the Issues Paper.
16 April 1999	The Inquiry will aim to prepare a paper setting out provisional findings and recommendations for circulation to a Consultation Group nominated by the Full Bench.
30 April 1999	Members of the Consultation Group to lodge written submissions discussing the provisional findings and recommendations.
5 - 6 May 1999	Conference with the Consultation Group.
11 June 1999	The Inquiry will finalise its report for submission to the Minister for Workplace Relations and Small Business.

1.2.4 In response to various requests, the original declared timetable was altered to that set out in paragraph 1.2.3 to accommodate delays to preparation of submissions caused by the Federal election held on 3 October 1998. In particular, an extension of time to allow submissions to be lodged by 6 November 1998 was made available to those who applied for it. Other changes to the deadlines for completion of each of the proposed stages of the Inquiry have been or will be determined as the need arises.

1.3 The Rationale for the Procedure and the Function of the Issues Paper:

1.3.1 Section 120B sets statutory terms of reference for preparing a report on the feasibility of replacing junior rates with non-discriminatory alternatives. It appears to be implicit in section 120B that the Commission has licence to prepare a report without using the industrial party and adversarial hearing model characteristic of most of its work. In devising a procedure for the preparation of the report we sought to take advantage of the opportunity that licence presents.

1.3.2 Our procedure is intended to encourage participation in the Inquiry by a representative body of interested persons. Our aim is to give those who may be interested access to the development of the Inquiry's thinking about the content of the ultimate report. We have tried to avoid or minimise public hearings. That procedure is relatively costly and not always productive. We have sought also to not duplicate work of a kind already done by other institutions in Australia. Aspects of the issues which we are required to address have been examined in various studies both in Australia and overseas. The list of references published in **Section 8** sets out some of the sources we have used. We have sought to draw upon that work, and attract a critique of it relevant to our task. Thus, the procedure is intended to allow those who participate in the Inquiry, and who seek it, timely access to most of the sources of information upon which we will draw.

1.3.3 In implementing the procedure, we have looked firstly to the resource that is created by the submissions made in response to notice of the Inquiry. We have also, through the Commission's Research, Information and Advice Branch, (the RIA Branch), extracted details about the use, and non-use of junior rates in federal awards and certified agreements. The content and, so far as it can be discovered, the rationale for existing award junior rates provisions will be covered in our report. In the meantime, a number of issues derived from our work to this point, or raised in submissions, are identified in Section 2 of this Paper.

1.3.4 We have conceived the Issues Paper to be the first stage of what will become our report to the Minister. The Paper is intended to identify many of the issues we may need to consider. It has not been practicable for the Paper to include material from research sources or similar studies that may assist in forming a perspective in which particular issues might be considered or addressed. However, in framing the issues, we have drawn primarily upon the submissions lodged with us, and upon material that our examination of the topic has thus far brought to our attention.

1.4 Identification of Issues about Terms of Reference or Procedure Raised by Submissions:

1.4.1 Several issues about the construction of the terms of reference or the procedure adopted for preparing the section 120B report have been raised in the submissions lodged. Other issues arise from a consideration of the terms of reference in perspective with the industrial concepts required to be assessed. The more significant issues about construction of our terms of reference, or about the procedure we intend to adopt are:

1.4.1.1 Having regard to the Commission’s overall functions and independence, should the terms of reference be applied in a way that causes the Full Bench to refrain from “*foreclosing*” on non-discriminatory alternatives? Instead, should the Inquiry provide the Minister with:

- our discussion of the feasibility of replacing junior rates;
- an identification of factors relevant to the desirability of any such removal of junior rates; and
- an exposure of the available evidence about the consequences for youth employment of abolishing junior rates and the utility of junior rates?

1.4.1.2 Should the terms of reference be read as subject to section 88B of the Act; if so, what if any impact should that provision have?

1.4.1.3 The prohibition of discrimination on grounds of age in paragraph 143(1C)(f) and subsection 170LU(5) extends to provisions that discriminate against an employee for reasons including age. Should the references to “*junior rates*” in section 120B be taken to apply to:

- junior rates in certified agreements; or
- the rates of pay of apprentices, who are not “*adult apprentices*”; or
- similar rates provided for by awards or agreements for a class of employees impliedly or indirectly defined by reference to age?

1.4.1.4 Some submissions have sought an opportunity to present witness evidence or to cross-examine or to test witness or other sources of evidential material. The Inquiry has thus far adhered to a procedure that will preclude witness evidence, and limit the need for public hearings. That aspect of the procedure may be in issue to a greater extent than appears from the submissions. **Is any issue of substance pressed about the Inquiry’s procedure adopted or foreshadowed?**

1.5 Why Are We Having This Debate: The Section 120B Inquiry in Perspective:

1.5.1 Section 120B reflects an attempt to inform a public debate about whether to resolve the conflict between the continued use of junior rates and the maintenance of anti-discrimination protective legislation. Another dynamic for the inquiry being conducted is the national and international pre-occupation with perceived failures to bring about a labour market for youth employment that ensures an effective school-to-work transition and avoids long term youth unemployment.

1.5.2 Dissatisfaction with the outcome of the youth labour market has been a relatively constant theme in Australia and in developed economies over at least the last two decades¹. In July 1998 there were about 596,500 employed teenagers in Australia or about 7 per cent of all employment in Australia². That figure is one measure against which to put in perspective the unanimous acceptance that there has been a continuing decline in teenage employment. In July 1978, the 638,600 teenage workers then employed were 10.6 per cent of all employment; by July 1988, the 687,200 teenage employees were 9.3 per cent of all employment. Over the same period full time employment, as a proportion of teenage employment, declined from 80 per cent in 1978; to 64 per cent in 1988; to the current 36 per cent. Over approximately the same period, the number of unemployed people aged 15-19, expressed either as a proportion of all people aged 15-19, (the youth unemployment/population ratio), or as a proportion of people aged 15-19 in the labour force, (the youth unemployment rate), stayed at high levels as shown in Figure 1:

Figure 1

	Units	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998*
Youth unemployment rate	%	20.3	18.9	15.7	14.9	20.0	23.8	24.4	23.8	20.9	20.7	20.9	20.3
Youth unemployment/population ratio	%	12.3	11.2	9.4	9.1	11.7	13.3	13.5	13.3	12.3	12.3	12.3	11.7

Source: ABS Cat 4102.0 1998 at p. 98; annual average for year ending 30 June 1998 supplied from unpublished ABS data.

1.5.3 Others aspects of youth employment have fuelled public debate. There has been continuing growth in part-time employment. That growth is associated with general use of casual terms of employment and with a decline in the number of hours paid for. Over the past 14 years, there has been a marked increase in the dependency on families for subsistence of 18-20 year olds in particular. That increase is associated with a significantly higher school retention rate. It is linked also with increased access to tertiary education. Conversely, in-house training of 15-19 year olds fell by almost half between 1989-1993 (the only period for which records are available)³. Over about the same period, there is evidence of a significant decline in the average real income of 15-19 year olds, and an overall decline in junior wages relative to adults from about 55 per cent to 47 per cent: young people's earnings from both full-time and part-time employment fell, in the face of an increase in real earnings among employees as a whole. Real earnings from full-time work among 15-19 year olds fell by 6 per cent between the early 1980s and the mid-1990s, and earnings from part-time work fell by 29 per cent⁴.

1.5.4 An estimated 56 per cent of all people aged under 21 years are employed on junior wage rates⁵. The retail industry is the largest employer of teenage workers. Some 289,000 young workers or 49.4 per cent of the total teenage workforce are so employed. In the retail industry a 17 year old typically earns \$6.82 an hour or 60 per cent of the adult rate and will be employed for about 12 hours per week. In retail and in industry generally, the full rate applies only at age 21 in most cases.

1.5.5 The relatively parlous position of junior employees in the labour force is not peculiar to Australia. Similar declines in youth employment and participation rates in OECD countries have been monitored over the past two decades⁶. The most recent of the OECD studies concluded in June 1998:

“The evidence presented in this chapter suggests that the transition from school to work is a turbulent and uncertain period for young people, even if many of them start on the right track. The latter are lucky enough to have a higher level of education or to enter the labour market in a good year. These conditions are necessary, but often not sufficient, for a successful transition as the longitudinal data analysis in Section D shows clearly.

‘Starting off’ in the labour market as unemployed is the case, on average, for one new school leaver in four in the 16 OECD countries for which data are available. Judging from the longitudinal analysis, such a start foreshadows reduced future employment prospects for men and women and for all educational groups. However, there is a wide variation across countries in the probability of starting off as unemployed and it is unlikely that the differences can be explained solely in terms of the educational attainment youths bring to the labour market.

The damaging effects of persistence in unemployment and inactivity in the first years of the transition process are particularly worrying. Nonetheless, the proportion of youth employed does rise over time, especially among men, in all educational groups. Unemployment is also rather concentrated among a relatively small group of young people, even though in some countries, like Australia and the United States, the experience of unemployment in the early

years is more widespread than in other countries. Augmenting the quality of initial education and, especially, reducing early exits from education clearly must remain of prime importance in tackling such problems.

But greater success in these objectives, on their own, will not be sufficient. Tackling overall high and persistent unemployment is an essential part of any 'youth-oriented' policy package, but will also not be sufficient. In addition, the large cross-country differences evident in the data points towards the important role of labour market institutions in aiding the integration process, including 'systems' of apprenticeships, collective bargaining, the strictness of employment protection legislation and youth labour market policies. The debate on the appropriate policies to tackle the problems faced by youth in making the transition to the job market needs, in many countries, to be more focused as to objectives. Should they simply seek to 'maximise' short-run employment opportunities? Should they rather be geared to promoting institutional arrangements to assist youth to get into stable employment more quickly? ...”⁷

1.5.6 Australia’s industrial tribunals are among the “labour market institutions” that significantly influence the youth employment market. Award rates of pay, particularly junior rates of pay, and other conditions of employment determined by industrial tribunals have long been key components of the wage regulation and employment scheme affecting youth employment. The relative labour cost of employing school leavers, juniors, apprentices, trainees and adults is substantially determined by the awards or agreements that are an outcome of industrial regulation⁸. Aspects of that form of intervention have been covered in a number of submissions and will be developed in later stages of the Inquiry and our report. However, legislation effectively determines the ambit and the objectives of each industrial tribunal’s regulatory functions. By that means, or by direct legislative intervention, Parliament increasingly establishes the regulatory framework and determines its orientation.

1.5.7 In the main, the exercise of direct legislative power over youth employment and the protection of young workers has been a State legislative responsibility⁹. Federal industrial legislation has made only isolated direct interventions to influence outcomes affecting youth employment. Albeit perhaps aimed at other award conditions, the relative prohibition on discrimination in employment on grounds of age was a rare and perhaps first instance of such an intervention by federal legislation. It directly affected the permitted content of award provisions as to junior rates. The *Industrial Relations Reform Act 1993*, with effect from 30 March 1994, introduced in Part VIA of the *Industrial Relations Act 1988* provisions giving effect to what were described as the Anti-Discrimination Conventions¹⁰. Age was included among other prohibited reasons for discriminatory provisions in awards or certified agreements, or for conduct including termination of employment. However the legislation was changed soon after its introduction. An amendment was introduced to ensure that, from June 1994, the exclusion of discriminatory junior rates and like provisions from agreements, and the review of awards for like provisions would be deferred until at least mid 1997¹¹. The inception of the *Workplace Relations Act 1996* with effect from 31 December 1996 carried over that regulatory scheme, but with significant changes and postponed it to June 2000¹². This report was also requisitioned by that amending legislation. The primary

task set by section 120B is to canvass the feasibility of the options available to address the interest and policy conflicts about junior rates, a number of which have been apparent for more than a decade.

1.5.8 The Australian Retailers Association in its submission asked rhetorically: “*why are we having this debate?*” It is readily apparent from the National Wage Cases and reviews referenced under paragraph 1.5.2 that a number of interest and policy conflicts are associated with the prescription of junior rates. The Joint Governments’ submission points to the interplay of several factors in the arbitral principles applied to the fixation of junior rates over the past 90 years or so. A quite robust debate about the quantum, if not the form of junior pay rates, is manifest in National Wage Case proceedings from at least 1985 to 1991¹³.

1.6 What Evil or Mischief is to be Remedied by Removal of Age Discrimination?

1.6.1 It has been the practice of courts to advance their understanding of a statutory requirement by having regard to antecedent background material for the purpose of “*seeing what was the evil or mischief to be remedied*”¹⁴. As we have already observed, a prolonged debate in National Wage Cases about the quantum of junior pay rates preceded the *Industrial Relations Reform Act* amendments in 1993. That legislation was intended to eliminate gradually provisions that discriminate against an employee *because of* various reasons, one of which was age. The rationale of that initiative may need to be examined more closely to identify what regulatory provisions were being targeted. A restraint against certain forms of discrimination, including discrimination on grounds of age, has foundations in international labour standards and human rights conventions¹⁵. There are related international obligations to observe policies producing equal remuneration for work of equal value “*without distinction of any kind*”¹⁶. Paradoxically, other international conventions, notably those about the rights of children, recognise the need for protective discriminations related to age¹⁷. In that usage, generally a “*child*” is a person below the age of 15 years. Although, for some purposes, the age of 18 is specified¹⁸. In Australia, a “*junior*” is generally a person over age 15 but less than whatever age is conceived to be the age of adulthood. Usually it is chronological age that defines the boundary between the status of childhood and adulthood. Juniors are therefore a class of persons who straddle the years between childhood and adulthood.

1.6.2 The legal status of childhood and adulthood is each identified by chronological age. The rationale for the 1993 legislation prohibition on age discrimination as it affected juniors is not entirely clear. However, the rationale for implementing a policy against age discrimination in the employment of juniors will need to be brought into sharper focus if it is to be adequately taken into account in the assessments required by section 120B. An

important factor in the process of identifying the dynamic elements of the rationale should not be overlooked. That factor is the manifest tension between two different categories of “rights” or duties that are asserted. The first is the asserted right to equal remuneration for work of equal value without distinction. The other is the imposed or asserted duty on collective government to protect children, as a section of the labour force, from exploitation or from social neglect of their employment predicament. The tension arises when age is a prohibited ground of discrimination for purposes of equal remuneration but must be used to define the boundary of childhood for the purpose of the positive discrimination by which regulatory authorities protect the “child”.

1.6.3 It may be sufficient to start the examination we have suggested with the attempts made by the Australian Council of Trade Unions (ACTU), as early as the *April 1991 National Wage Case*¹⁹, to eliminate junior rates from awards on the grounds of age discrimination. The sometimes selectively constructed antecedent history²⁰, and later history of arbitral determinations of junior rates²¹, is developed in several of the submissions. Closer attention may need to be given also to some details of that arbitral history. However, the ACTU’s 1991 initiative is sufficient to demonstrate that, for most of this decade, the interest and policy conflicts raised for consideration by section 120B have been dynamics in the regulation of youth wages.

1.6.4 The main points and broad character of interest conflicts about youth employment and wages are elaborated upon in a number of submissions. A relatively specific indication of the international foundations for protection against discrimination in employment related to age is given in a recently published review prepared for the International Labour Office by Youcef Ghellab²². The review examined remuneration for youth employment. It does not attempt to reconcile the minimum wage conventions with, for instance, the ILO Minimum Age Convention (No. 138). The substantive requirements of Convention 138 are expressed by reference to age²³. None the less, Ghellab’s paper usefully summarises the international labour standards that apply to youth wages:

“3. Minimum wage-fixing mechanisms and treatment of young workers

3.1 Youth minimum wages and international labour standards

The provisions of ILO Conventions on Minimum Wages (MW) do not provide for the fixing of different MW rates on the basis of age. In this respect, the Committee of Experts on the Application of Conventions and Recommendations of the ILO has expressed no views about whether different wage rates on the basis of age are prohibited by the Conventions on MW fixing. However, while there are no provisions regarding the age criterion, the Minimum Wage Fixing Machinery (Agriculture) Convention, 1951 (No. 99) and the Minimum Wage-Fixing Convention, 1970 (No. 131) provide, respectively that:

‘Each member which ratifies this Convention shall be free to determine after consultation with the most representative organizations of employers and workers concerned, which

such exist, to which, ..., categories of persons the minimum wage fixing machinery, ..., shall be applied’;

‘The competent authority in each country shall, in agreement or after full consultation with the representative organizations of employers and workers concerned, where such exist, determine the group of wage earners to be covered.’

This means that ratifying member States may decide to exclude some categories of workers from the scope of MW fixing. If so, the Minimum Wage-Fixing Convention, 1970 (No. 131), provides in its para. 3 of article 3, that the member State concerned “shall list, in the first report on the application of the Convention submitted under article 22 of the Constitution of the ILO, any groups of wage earners which may not have been covered in pursuance of this article, giving the reasons for not covering them, ...”. It appears from the above that the possibility of choosing, and hence of excluding, certain categories of workers, is subject to the agreement of the social partners or at least to full consultation with them.

None of the member States has explicitly reported the use of such a possibility in the case of young workers. The Committee of Experts on the Application of Conventions and Recommendations noted, however, in its 1992 General Report on MW-fixing Machinery, the existence of legal provisions and regulations that allowed the fixing of special MW rates for young workers in member States, including those that had ratified the Conventions on MW (General Survey, para. 177-181). The Committee of Experts has indicated, however, that ‘the reasons which were at the origin of the adoption of lower MW rates for some groups of workers on the basis of age ... shall be re-examined periodically in the light of the principle of equal remuneration.’

However, while the ILO instruments on MW do not forbid explicitly the fixing of different rates on the basis of age, the Committee of Experts stated in the General Survey of 1992 (para. 169) that ‘the general principles laid down in other instruments, and particularly those contained in the Preamble of the Constitution of the ILO which specifically refers to the application of the principle of Equal Remuneration for Work of Equal Value have to be observed’. Also, it might be argued that the work performed by a worker, irrespective of his/her age, should be the main criteria in determining the wage paid rather than the age. Moreover, the Minimum Age Recommendation, 1973 (No. 146) stipulates that special attention should be given to the provision of fair remuneration to young people, bearing in mind the principle of equal pay for equal work (Part IV, para. 13(1)(a)). Therefore, the fixing of lower rates of MW for young workers, all things being equal, comes up against the general principles contained in the different ILO instruments. Hence, the key aspect in this context is the value of the work performed. The 1945 ILC resolution provides that the measures taken with regard to young workers pay should aim at guaranteeing them payment consistent with the work they perform, while respecting to the extent possible, the principle of equal remuneration for comparable work’. Furthermore, as the Committee of Experts pointed out ‘the quantity and quality of work carried out should be the decisive factor in determining the wage paid’ (para. 111 of the 1992 Survey).

On the other hand, a distinction shall be made between two concepts: young workers who are fully involved in the firm/organization’s activities and perform the same work as their adult counterparts, and those young persons who perform work involving training, such as apprentices/trainees.

Apprenticeship is based on a system of mutual exchange (training against work). Therefore, it warrants the payment of cash compensation and other indemnity calculated on the basis of the MW, which takes into account the training provided. The case of the young worker in training appears more blurred in comparison to the apprenticeship statute, in particular as regards the question of age. Indeed in some countries the notion of young workers retained in legal provisions and regulations setting up lower rates of MW goes beyond 18 years. For example, in France the persons who are eligible for the professional insertion contract (contrat d’insertion professionnelle) as provided for in article 322-4-17 of the Labour Code, are those young

workers aged 18 to 26. In the Netherlands, the youth MW regulation applies to young workers up to the age of 23.

The situation appears different in the case of young workers involved neither in training nor in apprenticeship. Like other workers, not benefitting from any training in exchange for the work to be performed, they are entitled only to their pay. The lowering of the wage paid to young workers performing work comparable to that performed by an adult seems unwarranted, unless the age of the worker is considered as a valid criterion of discrimination. All in all, even if the fixing of lower MW rates for young workers is not prohibited by the Conventions on MW, such measures should be implemented in good faith, taking into account the following elements:

- the principle of equal remuneration for work of equal/comparable value should apply when no formal training or apprenticeship has been provided for by the enterprise;
- the notion of 'young workers' shall be determined with precision;
- the period during which a lower MW rate is applicable to young workers shall be limited in order to ensure that the application of the age criterion does not lend itself to abuse."

1.6.5 That background to the minimum wages labour standards is reinforced by another consideration. It appears from several sources that "*formal recognition of discrimination in the workforce on the basis of age is a relatively recent phenomenon*"²⁴. Regulatory prohibition on discrimination in employment on grounds of age evolved in Australia from the work of the National Committee on Discrimination in Employment and Occupation²⁵. It seems likely that the impetus for that evolution came more from reaction to discrimination against older workers than from reaction on behalf of juniors²⁶. Against that background, several issues relevant to the substantive effect or purpose of non-discrimination on grounds of age are raised by submissions or inherent to the terms of reference:

1.6.5.1 Do a relatively weak set of policy considerations dictate the prohibition on age based discrimination against young employees? The Australian Chamber of Commerce and Industry (ACCI) in its submission depicted "*the legislative challenge to the continued existence of award age based junior rates (as) essentially a legislative accident which occurred with the introduction of the Industrial Relations Reform Act 1993*". **Is there any agreed identification of the policy objectives to be served by the prohibition of provisions that discriminate in employment on grounds of age?**

1.6.5.2. Can it be concluded that the priority objective for non-discrimination is not so much the elimination of age discrimination related to juniors? Rather, is it to avoid, or at least reduce, unjustifiable failure to ensure equal remuneration for work of equal value?

1.6.6 The Joint Governments' submission notes that the "*fundamental criticism*" of junior rates is that age as a sole basis of progression through a minimum wage scale does not reflect skill level differences amongst employees of the same age²⁷. It is important to identify

with particularity the claimed deficiencies in either junior rates, or in any age discrimination in employment, that the prohibition on discrimination may be intended to remedy. The nature and degree of those deficiencies will be a key element in any assessment to be made of the desirability of removing junior rates. Conversely, the effectiveness and feasibility of any replacement of them will also need to be tested as a cure for those deficiencies. In that perspective, the Inquiry seeks to establish:

1.6.6.1 Is the nature and substance of the mischief or deficiencies sought to be remedied by the prohibition of age discrimination in employment in relation to junior rates comprehended by the following points of criticism:

- equity and work value in relation to *“a rate for the job”* are denied because pay rate progression is based only on age;
- equal pay for work of equal value has been the antithesis of discrimination against females, but is not applied to juniors;
- it is inherently unfair for the rights and duties of the status of adulthood to vest at age 18 for all purposes other than remuneration for work;
- the susceptibility of young workers to systemic and situational exploitation is magnified by the use of age to determine pay status²⁸;
- the needs and cost of living of juniors are no different from adults but the discounted wage payments in junior rates preclude the real costs of living being met from wages;
- the age related progression in junior rates amounts to an incentive for the employer to dismiss a junior or reduce hours of work upon the attainment of the adult rates, or higher level junior rates;
- discounted rates for juniors place age-21 adults and others at a competitive disadvantage in the labour market;
- junior rates discounted by age from adult rates diminish the worth and self-perception of young people as individuals by implying that their labour is less valuable;
- the scheme of discounting adult rates for the job by age based progression in junior rates operates as a form of business welfare subsidy to employers who use junior rates. The subsidy comes from those employers who do not use junior rates but invest in training; from families who maintain dependent young people; and from the community through income transfers to junior employees in poverty;
- aged based discounts from the rate for the job are not valid proxies for the cost to the employer of training junior employees, at least where no structured training is provided.

1.7 The Questions Posed in Section 120B:

1.7.1 Section 120B itself poses one primary, and three main secondary questions or topics for assessment. The primary question upon which we must report is on the “*feasibility of replacing junior rates with non-discriminatory alternatives*”. That question is dependent upon the assessment required about the secondary questions. The topics of the secondary questions are sufficiently general in character to be used as heads around which discussion of subsets of issues may be marshalled.

1.7.2 The following sections of this paper introduce, with some background material, the main issues that we may need to consider under those secondary questions related to our terms of reference. **Section 2** outlines our understanding of what is meant by “junior rates”. That term is examined in the context of our terms of reference, the Act, and of some awards and agreements within which it is applied. The background material presented takes into account the history of junior rates and their contemporary form. We use it to introduce several questions about the way in which we, or interested parties, should view the contemporary form or content of junior rates. **Section 3** introduces the first of the three secondary questions or topics for which an assessment is required under section 120B: the desirability of replacing junior rates with non-discriminatory alternatives. In that section, the considerations and issues likely to be of most weight are framed around what appear to be the non-discriminatory alternatives identified, supported or opposed in the submissions. **Section 4** covers in much the same way the consequences for youth employment of abolishing junior rates and **Section 5** addresses the background and issues pertaining to the assessment of the utility of junior rates for different types of employment and industries and in the school to work transition. **Sections 6, 7 and 8** respectively list the persons who have made submissions to the Inquiry; set out the more important references upon which, with the encouragement of those who have made submissions, we have drawn; and provide a glossary of acronyms. The Appendices to the paper are listed in the Table of Contents and introduced in the text.

2. JUNIOR RATES IN AWARDS AND AGREEMENTS:

2.1 What are Junior Rates?

2.1.1 Our terms of reference do not throw much light on what is meant by the concept pivotal to our report. Subsection 120B(4) of the Act reads:

“[“Junior rates” defined]. In this section, junior rates means junior rates of pay.”

2.1.2 It has been suggested to us that the expression “junior rates” should be read as meaning award rates of pay for juniors. In its submission, ACCI expressed that view. ACCI did not develop an argument as to why *junior rates* should be read down as applying only to award rates. In the absence of any such argument, subsection 170LU(5) would appear to be a sufficient basis for accepting that the expression includes a junior rate in a certified agreement. ACCI also submitted, correctly we think, that we should apply the decision in the *CBAOA Case*²⁹ to give the term “junior rates” its ordinary meaning consistent with industrial practice. Before turning to that practice, we note that the expression *junior rates* in section 120B may appropriately be read in context with paragraph 89A(2)(c). That paragraph distinguishes between “*rates of pay generally ..., rates of pay for juniors, trainees or apprentices, and rates of pay for employees under the supported wage system*”. The definition in subsection 120B(4) is specific to section 120B. It may be consistent with the overall tenor of the Act, and consistent with the ordinary meaning of the expression *junior rate*, to treat it as not applying to apprenticeship rates, or trainee rates.

2.1.3 Our acceptance that *junior rates* do not include apprentice or trainee rates of pay does not avoid entirely the need to consider those kinds of rates. Non-adult apprenticeship and traineeship in award wages have been developed in close parallel with junior rates or their antecedents³⁰. Moreover, the prohibition of age discrimination in paragraph 143(1C)(f) of the Act might be held to apply to provisions about apprentices, *adult* apprentices, or trainees. Award and agreement provisions about those categories of employment are also subject to the prohibition on age discrimination in subsections 143(1E) and 170LU(5), unless they are exempted. So any category of employment that is to qualify as the foundation for a classification receiving “*non-discriminatory alternatives*” to junior rates must, *ex hypothesi*, have withstood a scrutiny for age discrimination defects. It is implicit in our terms of reference that we arrive at a view about what may or may not constitute a non-discriminatory alternative to junior rates. It would seem difficult to avoid an examination of whether expressions such as “adult” connote a variable but none the less ascertainable and legally specific age. We note also that several submissions analysed the relationship between

junior rates, apprenticeship and trainee provisions, and adult entry levels to low skill positions³¹. Aspects of those relationships were relied upon to argue points for or against the abolition of junior rates. For those and other reasons, the presence and content of apprenticeship and traineeship arrangements may be relevant to some part of our deliberations. We will return to that possibility later in this paper. Any organisation that may have put a submission in ignorance of the potential relevance of those aspects of apprenticeship arrangement may overcome any disadvantage it may feel by lodging a written response to the Issues Paper, covering any material about apprenticeship that may have been overlooked.

2.1.4 It is appropriate first that we should attempt to clarify through this paper what should be taken to be the ordinary meaning according to industrial relations usage of the expression *junior rates*. It may be accepted that the general concept is rates of pay for juniors, i.e. those in the recognised workforce who are not adults. Industrial usage of the term “*junior*” appears to date in Australia from around 1910 - 1917. By the latter date, it was used in awards in a context that began to displace the references to “*lads*”, “*boys*” or “*youths*” that had earlier been used for age based pay scales in several awards³². Traditionally, and for most awards that contain junior rates, a junior is an employee who is under 21 years of age.

2.2 Distribution of Junior and “*Adult*” Rates in Awards and Agreements:

2.2.1 Of the 100 “*key*” federal awards analysed in the Joint Governments’ Submissions, 76 contain junior rates and 11 contain provisions for the adult rate to be paid at age 18, whereas 43 specify age 21 for the adult rate³³. For the purpose of the Inquiry, the Commission’s RIA Branch examined some 196 awards including those perceived to have the largest coverage. One outcome was a written “*Conspectus*” extracting the junior rate provision and in most cases any provision specific to the position of juniors³⁴. An electronic copy of the *Conspectus* will be attached as an adjunct to this Paper on the Commission’s internet Home Page which can be found at <http://www.airc.gov.au>. It may be down loaded by those who may be interested in the detail. One hundred and eighteen of the awards examined for the *Conspectus* contained a junior rate provision in the sense of an age based condition for payment under the provisions of the award. Seventy eight did not. In **Appendix 1**, we have reproduced an index of the awards in the *Conspectus*. The appendix shows the awards by industry and by the presence or not of a junior rate, apprenticeship or trainee provision. **Appendix 2** lists awards without any junior rate provision. **Appendix 3** lists 12 awards that have a form of junior rate provision. Those awards are not included in the 111 awards that were first identified as having an age at which the junior was to be paid an adult rate. The awards listed in **Appendix 3** have relatively singular forms of experienced based progression, linked in seven of the awards with some age based conditions.

2.2.2 Enterprise agreements have a significant impact also on the effective distribution of junior rates. Through the Commission’s RIA Branch in Sydney, an examination was undertaken of a selection of certified agreements. That examination was made through a search of the OSIRIS data base intended to identify agreements which contain junior rates provisions. The search parameters used were to seek agreements that make reference to juniors aged “16 years” and “17 years”, but do not contain provisions for apprenticeships or traineeships. The sample was therefore not comprehensive of junior rates provisions in general. From 274 current or expired agreements identified with junior rates so defined, data was then compiled as to:

- the age at which a person earns adult wages under the agreement;
- the presence of an enabling provision allowing payment of adult wages to a junior on “competency” grounds; and
- for the presence of a “proportion” provision as to the number of junior employees who may be employed per adult employee.

A preliminary analysis shows that of the 274 agreements, 118 or 43 per cent stipulate age 21. Only one instance of age 17 was found. Age 18 was stipulated in 28 per cent of the agreements, age 19 in 19 per cent, and age 20 in 9 per cent. Thus agreements in which the age for adult rates was lower than 21 outnumbered the agreements stipulating age 21 by 57 per cent to 43 per cent. There was also a significant presence, (15 per cent of agreements), of proportion clauses. An electronic copy of the information compiled may be found as an adjunct to this Paper on the Commission’s internet Home Page³⁵.

2.3 When is a “Junior” an “Adult”?

2.3.1 A breakdown by age at which adult rates start to be paid in the 111 awards with junior rates examined in the Commission’s Conspectus, appears at Figure 2:

Figure 2

Cumulative percentage of 111 awards with Junior Rates showing
Age by which adult wages are first paid*

16 Years	17 Years	18 Years	19 Years	20 Years	21 Years
1.8%	1.8%	18.0%	22.5%	42.3	100%
(2)	(2)	(20)	(25)	(47)	(111)

* The figure in brackets denotes the number of awards upon which the accumulation is based.

2.3.2 Junior rates are commonly provided for in a distinct classification for junior employees. Usually the classification stipulates what percentage of a specified adult rate, (which we shall call the *comparator* classification), is to apply at particular ages for a junior. The importance of the age designated for the adult rate, and the variability of the percentage paid by age level, may be seen from Figure 3. It sets out the average percentage of the relevant adult rate payable by age for the 111 awards selected in the Conspectus. We caution against any use of the averages stated or the industries beyond the limited purpose for which we publish them to illustrate the pattern of age progression in junior rates. Figure 3 illustrates the relatively wide variation between awards in the percentages used at different age levels of the comparator adult rate. It also gives some indication of industries in which awards use junior rates but specify 18 as the age at which adult rates apply.

2.3.3 Age 21 was the age of adulthood in awards, without exception prior to the 1970s, so far as we are aware. At common law a person was an adult when he or she was of full age, and that age was 21. Until that point of time, he or she was in law an infant³⁶. In 1973, the age at which an Australian citizen became both eligible and compellable to vote was reduced from 21 to 18. At around the same time the age of majority in all States and Territories was made 18 years³⁷. There does not appear to have been any associated alteration at that time to the industrial concept of “*juniors*”. Although, a number of awards were altered from around that time to allow for the “adult rate” to be paid to employees on attaining age 18.

Figure 3

Selected Awards with Junior Rates: Average percentage of
adult rate by industry and age

Industry	Less than 16 Years	16 Years and over	17 Years and over	18 Years and over	19 Years and over	20 Years and over	Number of Awards
Agricultural industry	45.0	50.0	55.0	65.0	75.0	90.0	1
Airline operations	50.0	60.0	62.5	67.5	77.5	95.0	2
Aluminium industry	N/A	60.0	70.0	85.0	100.0	100.0	1
Brass, copper and non-ferrous metals industry	60.0	60.0	60.0	100.0	100.0	100.0	1
Building, metal and civil construction industry	N/A	42.0	55.0	75.0	88.0	100.0	1
Business equipment industry	60.0	60.0	75.0	100.0	100.0	100.0	1
Catering industry	70.0	70.0	70.0	80.0	90.0	100.0	1
Chemical industry	40.0	40.0	50.0	60.0	72.5	85.0	1
Clothing Industry	49.5	60.0	70.5	81.0	93.0	97.0	2
Defence Support	50.0	50.0	60.0	70.0	81.0	91.0	1
Educational services	50.0	50.0	60.0	70.0	80.0	90.0	1
Engine drivers and firemen	36.8	47.3	57.8	68.3	82.5	97.7	1
Entertainment and broadcasting industry	58.8	81.3	86.3	91.3	97.5	97.5	4
Finance and investment services	55.0	55.0	65.0	75.0	85.0	100.0	1
Food, beverages and tobacco industry	70.0	70.0	82.5	100.0	100.0	100.0	2
Furnishing industry	N/A	46.0	55.0	65.5	80.3	94.5	2
Glass industry	38.6	45.4	59.1	77.6	91.3	99.3	7
Graphic arts	30.0	40.0	50.0	60.0	75.0	90.0	2
Health and welfare services	50.0	50.0	60.0	70.0	80.0	90.0	1
Insurance industry	N/A	50.0	60.0	70.0	80.0	90.0	1
Liquor and accommodation industry	47.3	56.7	66.1	78.3	87.6	98.2	6
Local government administration	55.0	55.0	60.0	70.0	80.0	90.0	1
Meat industry	58.3	58.3	68.3	83.3	90.0	100.0	3
Metal industry	45.4	50.7	56.3	65.8	77.8	89.6	3
Oil and gas industry	40.0	50.0	60.0	85.0	100.0	100.0	1
Port and harbour services	45.0	50.0	55.0	65.0	75.0	85.0	1
Private Transport industry	N/A	70.0	70.0	70.0	80.0	100.0	2
Pulp and paper industry	53.0	53.0	58.8	72.5	85.0	100.0	1
Rubber, plastic and cablemaking Industry	47.5	47.5	57.5	67.5	82.5	100.0	1
Storage services	38.5	46.0	53.5	67.0	87.8	93.8	2
Textile Industry	N/A	50.0	59.0	69.0	80.0	100.0	1
Travel industry	64.0	64.0	64.0	74.0	87.0	100.0	1
Vehicle industry	59.7	62.0	72.3	87.7	92.8	96.5	12
Wholesale and retail trade	48.6	50.4	59.4	71.4	81.6	91.6	40
Wool industry	50.0	50.0	60.0	70.0	80.0	90.0	1
All industries	50.0	54.2	63.0	75.5	85.5	94.5	111

2.4 The Operation of Junior Rates Provisions: “Proportion Clauses”:

2.4.1 The mere presence of a junior rate in an award is not an effective indicator of the operative impact of the rate. There may be aspects of a junior rate classification that confine its scope. Thus, of the four major building and constructions awards, only two make provision for junior rates. However, those junior rates do not apply to construction on site or off site other than in South Australia. Any employment of juniors under junior rates is said to be restricted to shop-fitting, stores and related support operations. Similarly, those who have analysed the effect of junior wage levels on unemployment appear often to have paid little attention to the possible operation of “*proportion clauses*” in many awards. The operation of junior rates provisions in awards and the operation of restrictions on juniors performing some classes of work demands attention to the detail of the incidence of the classification and to the effect of any certified agreement that may prevail over the award.

2.4.2 A proportions clause typically sets the maximum number of juniors to be employed in an establishment as a proportion of adult employees. Clause 3.3 of the Queensland Coles/Woolworths Supermarket Meat Employees’ Award 1995 provides: “*The number of unapprenticed juniors in any establishment shall not exceed one to every three (1:3), or fraction of three adult weekly packer/cabinet attendants*”. It seems likely that the age discrimination prohibitions in subsections 143(1D) and 170LU(5) operate on such provisions. A number of proportion clauses have been removed in the award simplification process but for other reasons³⁸. Limitations on proportions of employees that may be employed in a particular type of employment are not an allowable award matter. Several have been removed from awards in compliance with subsection 89A(4) of the Act and item 51 Schedule 5 of the *Workplace Relations and Other Legislation Amendment Act 1996* (WROLA Act)³⁹. Such limitations could also be objectionable because the limitation is based on the age of employees. If that be the case, it may not be open for enterprise agreements to effectively limit in that way the employer’s capacity to make employment available to juniors.

2.4.3 Of the 274 certified agreements examined on the Inquiry’s behalf by the RIA Branch, 41 were reported to contain clauses that specify the proportion of junior employees to adult employees. Employment may also be limited through provisions that stipulate the number of apprentices, and/or the number of trainees who may be employed to the number of ordinary (adult) employees. Of course, apprenticeship and traineeship are open to adult employees as well as those under 21 years of age. While we are aware of instances of such provisions in agreements, we have not examined agreements to test for the presence of clauses stipulating such proportions. It may be appropriate for closer attention to be paid to the effect

of the relatively recent removals of limitations on the proportions of juniors able to be employed. The acceptance by industrial parties of similar limitations in enterprise agreements is relevant to the operation of junior rates and perhaps to assessment of aspects of junior employment. However, no issue directly bearing on our terms of reference appears to arise from the past or continuing effect of proportion clauses.

2.5 Junior Rate Formulae:

2.5.1 One example of a junior rates provision in an award is clause 5.5.1 of the Metal Engineering and Associated Industries Award, 1998 (Metals Award):

“5.5 UNAPPRENTICED JUNIOR RATES OF PAY

Except as provided for in sub-clause 3.2.2 of Schedule C, (juniors in foundries) the minimum weekly wage rates for unapprenticed juniors, shall be:

5.5.1 Unapprenticed Juniors

<i>Years of age</i>	<i>% of C13 level</i>	<i>Safety net adjustment</i>	<i>Rate per week (payable from 15/5/98)</i>	<i>Rate per week (payable from 2/6/98)</i>	<i>Rate per week (payable from 2/12/98)</i>
	<i>%</i>	<i>\$</i>	<i>\$</i>	<i>\$</i>	<i>\$</i>
<i>Under 16 years of age</i>	36.8	17.70	135.70	139.60	143.60
<i>At 16 years of age</i>	47.3	22.70	174.40	179.40	184.50
<i>At 17 years of age</i>	57.8	27.70	213.30	219.50	225.50
<i>At 18 years of age</i>	68.3	32.80	252.00	259.30	266.50
<i>At 19 years of age</i>	82.5	39.60	304.40	313.20	321.90
<i>At 20 years of age</i>	97.7	46.90	360.30	370.70	381.10”

2.5.2 A more typical example, because simpler, is taken from the Hospitality Industry - Accommodation, Hotels, Resorts and Gaming Award (Hospitality Award) clauses 15.5.1:

“15.5 Juniors

15.5.1 Junior employees (other than office juniors)

The minimum rate of wages for junior employees are the undermentioned percentages of the rates prescribed for the appropriate adult classification for the work performed for the area in which such junior is working.

<u>Age</u>	<u>Per cent</u>
17 years of age and under	70
18 years of age	80
19 years of age	90
20 years of age	Full adult rate”

2.5.3 The effect of those awards, and of a key retail award, in ordinary time weekly and hourly rates appears from Figure 4. It is based on details extracted from a more comprehensive set of comparisons set out in **Appendix 4 Part A**:

Figure 4

Age	Metal Engineering And Associated Industries Award 1998 ⁴⁰			Hospitality Industry Accommodation, Hotels, Resorts and Gaming Award 1998 ⁴¹			SDAEA Victorian Shops Interim Award 1994 ⁴²		
	per week (\$)	per cent	hourly rate (\$)	per week (\$)	per cent	hourly rate (\$)	per week (\$)	per cent	hourly rate (\$)
Under 16	143.57	36.8	3.79	-	-	-	216.20	50	5.69
16	184.52	47.3	4.86	-	-	-	216.20	50	5.69
17	225.48	57.8	5.93	273.07	70	7.20	237.80	55	6.26
18	266.44	68.3	7.01	312.08	80	8.21	291.90	67.5	7.68
19	321.83	82.5	8.47	351.09	90	9.24	345.90	80	9.10
20	381.13	97.7	10.03	390.10	100	10.27	389.20	90	10.24
Adult	390.10	100	10.27	390.10	100	10.27	432.40		11.38

2.5.4 It is convenient to note a distinction of substance between awards which is reflected in the extracted clauses. The Hospitality Award ties the percentage relativity for junior employees to the “*rates prescribed for the appropriate adult classification for the work performed for the area in which such junior is working*”. The junior rate age scale is thereby applied to skill differentials reflected in the classification structure. In that award, the relevant adult classifications range in base wage from \$373.40 per week for the classification Introductory Level 1 to \$506.90 per week for the classification Security Officer Sheraton Brisbane Hotel. In the Metals Award, on the other hand, “*unapprenticed juniors*” are nominally a distinct classification. Their relativity is at all times a percentage of one rate in the award, the C13 level for Production Employee Level 2. Thus, the two awards differ in the way in which they require the work actually performed by a junior to be taken into account in reckoning the rate of pay. There appears to be an at times haphazard selection of such comparators in award junior rates, to establish the work, if not the rate of pay to which the junior employee’s relativity is fixed. That observation must be qualified, more heavily than some commentators would allow, to take account of arbitral determinations which have explored the reasons for selecting the comparators⁴³. However, there is a sufficiently self evident basis in the detail we have supplied to afford a foundation to pose here an issue raised

in various forms in several submissions: **Can it be established that in particular instances, if not in general, the same work is being done, with the same results, by a junior as by an adult worker? If so, by what means? If that proposition can be established in particular instances, or in general, why is it justifiable to not pay the employees the same rate for the job?**⁴⁴

2.5.5 Another aspect of junior rates that emerges from a comparison of the Metals and Hospitality Awards is that both awards require adult rates to be paid in certain occupations. Thus, clause 5.5.4 in the Metals Award states:

“5.5.4 Juniors engaged on certain operations are entitled to receive the adult award rate. The relevant operations (and phasing arrangements for this provision) are set out in paragraph 3.2.1 of Schedule C.”

The Hospitality Award, at clause 15.5.3(b), states:

“15.5.3(b) Junior employees, on reaching the age of eighteen years, may be employed in the bar or other places where liquor is sold. However, where a junior is employed the adult award rate for the work being performed must be paid;”

2.5.6 It was once suggested that awards which provide that juniors employed should be paid not less than the appropriate adult minimum rate made such provision because the work involved was regarded as unsuitable for juniors to perform⁴⁵. Barriers to juniors performing certain work, and similar uses of age based provisions relating to juniors, each raise issues which go beyond simple questions of cost and lack of experience. The provision in the Hospitality Award is influenced by the operation of legislation which restricts the employment of persons under 18⁴⁶. Presumably, in relation to “bar work”, the age qualification might be accepted to be an inherent requirement of the work. However, questions may remain about whether such provisions would be adjudged discriminatory, or are still within Commission jurisdiction to award. Provisions of that kind, prescriptions of the proportions of juniors to adults, or the effective exclusion of unapprenticed juniors from work on which apprentices might be engaged have long been almost integral to junior rate regulation in awards⁴⁷. Our report is perforce limited to a consideration of rates of pay for juniors by the definition in subsection 120B(4). However a potential issue of some importance is: How far should the Inquiry frame any assessment of junior rates around the *status quo* reflected in current junior rates provisions and related provisions? In other words, should the feasibility of replacing junior rates be assessed without any allowance made for changes to the content and conditions of the age based progressions in the junior rates currently found in awards and agreements, or to provisions that influence the pattern of use or payment of junior labour? In particular, should any consideration be given to the possibility

that the potential inequity of a pay rate progression based on age alone could be moderated by the inclusion of experience and competency grounds?⁴⁸

2.6 Age Related Rates and Forms of Age Discrimination:

2.6.1 The statutory reference to junior rates in section 120B is to junior rates of pay not youth rates or other more comprehensive concept. This returns us to the question of whether the expression might technically include apprentice' rates in some awards. The title of clause 5.5 of the Metals Award is "*Unapprenticed Junior Rates of Pay*". Clause 5.1.1 is entitled "*Adult Rates of Pay*", clause 5.3: "*Apprentice Rates of Pay*"; and clause 5.4: "*Adult Apprentice Rates of Pay*". Apprentice's rates are usually fixed in awards by reference to the years of apprenticeship, and hence to the experience of the employee. Consequently the rates are related to the value of the work the apprentice can deliver to his or her employer. Such rates are arguably not discriminatory because of any direct age progression. Unless the provision is a form of indirect discrimination, it might be concluded that apprentice rates thus struck are non-discriminatory. Such rates in essence are not different from those struck for adult apprentices. But the form of provision, for more reasons than one, leaves open the possibility that the differential pay rates may be conceived to be based on age differences. The questions may be put as an issue: **Is discrimination within an award created when different base rates are struck for the apprentice who is by age a junior, and, on the other hand, for the adult apprentice who first takes up preparation for a trade?**

2.6.2 What is not within the scope of our report under section 120B are actual rates, meaning what is in fact received by juniors, e.g. on an overaward basis. We do not overlook the possibility of age discrimination in over award situations, or in "*award-free*" employment transactions⁴⁹. The definition of junior rates we have adopted, and the limit to award influencing considerations inherent in section 120B, allow us to refrain from dealing with over award considerations. Although, we take generally into account the possibility of such payments because they are particularly relevant when cost effects of change to award rates are to be considered.

2.6.3 However junior rates in certified agreements are in a different category. We have referred at paragraph 2.2.2 to an examination of a class of junior rate and related provisions in certified agreements. The ACCI and the Joint Governments' Submissions each contain material that reviews junior rates in enterprise agreements. To this point, we are not aware of any material that would contradict several of the main points made in the Joint Governments' Submission⁵⁰. Those points noted that a relatively small number of agreements had removed junior rates that might otherwise have applied. A number of other agreements varied the percentage relativity or advanced the age at which adult rates applied. Otherwise,

we have not yet found, or had our attention drawn to, any other kind of significant departure from the kind of junior pay provisions that are found in awards.

2.6.4 In particular, the data made available to the Inquiry about the content of agreements negotiated at workplace levels thus far discloses almost no novel instance of the use of non-discriminatory alternatives to junior rates. However, because of the sample selection techniques for the junior rates provisions examined, we are reluctant to conclude that there may not be evidence of such innovation. Junior rates provisions of the kind identified in several of the awards listed in Appendix 3 would have eluded the search we have thus far made of certified agreements. Examples of age neutral progression from base entry level by years of experience may be found in both awards and agreements⁵¹. Agreements may have been used, perhaps more frequently, for the effective removal of an award prescription of a junior rate, for the substitution or earlier payment of adult rates, and for increasing the percentage of an adult rate payable at particular ages. **Is it proper to draw an inference about industrial parties' capacities to develop by negotiation any significant non-discriminatory alternative to the use of age progression to differentiate pay levels for juniors?**

2.7 The Interface between Junior Rates, Traineeship and Apprenticeship:

2.7.1 Another set of classifications to which reference must be made are award provisions for trainee rates of pay. The standard provisions in the National Training Wage (NTW) are based on experience since leaving school and are not based on age. The trainee classifications, or elements of the NTW classification progression have also been expounded in a number of submissions as a formula for arriving at non-discriminatory alternatives to junior rates. There may be an issue, or at least some confusion, about the status of the criteria that determine pay progression in the NTW. It was argued that experience plus level of schooling were criteria equivalent to competency based progression. The Australian Retailers Association (ARA) and the ACCI questioned whether the NTW formula is, in point of law, a form of indirect discrimination because of age⁵². For the purposes of this stage of the Inquiry, it may be sufficient to note the existence of the NTW model.

2.7.2 The comparative tables in **Appendix 4 Part C** set out some details of the NTW classification and note the junior rate and apprenticeship counterparts in some awards. Aspects of the operation of the NTW in the building and construction industry in particular were raised in submissions to the Inquiry. In particular the Master Builders' Association of Western Australia (MBAWA) contrasted the commencing rate of pay available from the NTW with the rate payable to apprentices. The submission claims that the NTW rate is set too high and constitutes a disincentive for young employees considering undertaking an

apprenticeship⁵³. There appears to have been a low take up of traineeships in the building and construction industry, and an apparent decline in apprenticeships. That development assumes greater significance when contrasted with one analysis of the importance of apprenticeship and traineeship in the State of Queensland. In its submissions, that State gave emphatic support to a reiteration of principles which underlie the scheme for traineeships⁵⁴. The submission commended those principles as a product of federal and State consultation with tripartite involvement. The principles were foundational to the Commission's adoption of the NTW⁵⁵.

2.7.3 The utility of the NTW model and the strength of commitment to it may raise issues best dealt in connection with the assessment of desirable alternatives to junior rates. We develop that point in Section 3.4. However, to complete the outline of traineeships or “*new apprenticeships*” in interaction with junior rates, it is appropriate to refer to a substantive concern expressed in one study of the situation of young Australians and echoed in a submission made by the State of NSW:

“... In 1996 28,157 of those who commenced a traineeship were aged 20 or older, and teenagers constituted only 41 percent of all trainees. Data for financial year 1996-97 show that 45 percent of trainees are aged 21 years and over with 26 percent aged 25 years and over (Allen Consulting Group 1997:8).

...

In summary, the outcome for the vocational education and training sector are: no growth in overall participation; declining apprenticeship numbers; traineeships being increasingly captured by adults; and a decline in the provision of extended and broad-based courses. This record cannot be said to be positive for youth, and stands in marked contrast both to the rhetoric of government policy during the 1990s and to public expenditure priorities.”⁵⁶

2.8 Absent a Junior Rate: Present Experience Based Progression?

2.8.1 Finally in this context, we note that there are awards which do not provide for junior rates. **Appendix 2** is a crude list of the seventy awards identified by the Commission's RIA Branch as awards that contain no junior rate provision. The submissions generally, and the extent and nature of the awards in that list alone, provide a foundation for making some further examination of the possible reasons for the scattered incidence of junior rates in awards. So far as we are aware, little attention has been given to the effect of either the absence of special provisions for juniors in awards or agreements, or to the restrictive operation of provisions such as the proportions clauses. The submissions put to us place great weight on several recent studies of the impact of juniors wages on youth employment. It is apparent that in relation to some awards in the list at Appendix 2, and for some industries, an issue about the incidence of junior rates exists. It is: **Whether, and how a greater consistency of rationale and principle ought be achieved in junior rates provisions**

throughout awards generally? As we have already noted, several industrial parties have put various propositions that each industry, or even each enterprise, should be assessed separately. Propositions of that kind encourage the possibility that the Inquiry should do no more than indicate a view of the content and incidence of junior rates, and leave the development of a particular approach to the industrial parties to awards.

2.8.2 We do not assume, and we suggest, it should not be assumed, that the content, as distinct from the concept of junior rates as now found in federal awards will be static. It may be important to not lose sight of any potential for reforming or adding to the performance characteristics of junior rates as they now exist. The main variables used in the formulation of junior rates provisions are:

- age;
- percentage relativity or specified rate of payment;
- reference classification, or “*comparator*” rate;
- length of work experience;
- character of work performance.

2.8.3 In that context, it may be helpful to illustrate but one aspect of the claimed potential for adjustment. We note a contention made by the New South Wales Pharmacy Guild in its submission. It expounded the beneficial effect in the pharmacy services industry of the Pharmacy (State) Award 1992. Under Clause 15(2) of that award a classification for three grades of Pharmacy Assistant adds a length of service variable to age for purposes of movement beyond a commencement classification rate. Variants on that approach may be found in the extracted provisions of some of the award listed in Appendix 3.

3. THE DESIRABILITY OF REPLACING JUNIOR RATES WITH NON-DISCRIMINATORY ALTERNATIVES:

3.1 Considerations that Weigh in the Assessment Process:

3.1.1 An assessment of the desirability of replacing junior rates with non-discriminatory alternatives turns upon the relative weight and mix of three main sets of considerations and issues. The first set arises from the concept of “junior rates” itself in the context. The second set is derived by articulating the values and objectives that are the measure of desirability in the context of our terms of reference. The third is derived by establishing what may be the form, content, purpose and likely effectiveness of the non-discriminatory alternatives to junior rates.

3.2 “Junior Rates” for Purposes of the Assessment:

3.2.1 Section 2 above, outlines the main features of the award provisions that are the concrete expressions of junior rates. Junior rates in origin, form and substance use age as the determinant of the operative pay level, and therefore as a ground of discrimination. In application to a prescribed rate of pay, even the adjectival use of “junior” is synonymous with a form of age discrimination. The expression “*adult*” might arguably have the same connotation in a context that assumes a differential treatment of those who are not adults. In Section 2 we sought to bring into focus aspects of the performance characteristics and rationale of the junior rates provisions of current awards. We have observed that the content of junior rates should not be assumed to be static. The variables that are part of the concept of junior rates being adjusted may be a factor in assessing the desirability of replacement of junior rates. In that connection, the process that the Act prescribes for “*replacing*” junior rates has a provisional component.

3.2.2 An award provision is not fatally flawed on age discrimination grounds only if it discriminates because of age in respect of *the particular employment* on the basis of the *inherent requirements of that employment*⁵⁷. Moreover as the Act stands at present, the exclusion of a junior rate of pay from the category of prohibited discriminatory provisions is extendable beyond 22 June 2000 on a case-by-case basis in accordance with principles to be established by the Full Bench⁵⁸. Despite that relative flexibility, there appears to be no issue that the assessment of desirability of replacing junior rates should be framed on the assumption that classifications prescribing pay rates by age or by age progression shall be replaced by classifications without that characteristic.

3.3 Desirability:

3.3.1 Assessment of “desirability” is a judgment about the best fit. In the submissions made to us, various advantages have been argued to be associated with various options for existing or prospective award provisions about youth employment. The claimed advantages are reflections of value judgments, experiences and objectives by reference to which the desirability of particular options is argued. Hence, a considerable diversity of approach and priorities is reflected in the submissions about this topic.

3.3.2 Thus, a proposal about an optimum rate of pay to be applied to school-leavers on transition to work will ordinarily be formulated around what the proposer may consider to be the goal that is to be achieved by that optimum. How should the desirability be measured:

- Should any such proposal be judged primarily by the likelihood of it being an encouragement to an employer to take on young employees?
- Or by the likelihood of it being an incentive to juniors to seek work? Should the measure be balance of both?
- If so, what are the measures of effectiveness in achieving any such goal?
- Should support for the pursuit of skills and training in the school to work transition also be an objective in the regulation of pay rates?
- To what extent should those objectives be offset by values that assert that work of equivalent value to an employer should attract the same rate of pay without regard to distinctions between workers?

3.3.3 It should be unnecessary for us to identify as an issue in itself whether a relativity of values, policies and priorities underpins any assessment of the desirability of a particular option. It should be apparent that it is a matter for debate whether all these aims can be achieved by one scheme of payment. Inevitably, it seems, a choice must be made about the goals of fixing pay rates for juniors, either before, or as part of making any assessment of the alternatives that may best meet, or strike a balance between, those goals. In assessing the desirability of whatever we may conceive to be the most credible likely alternative to junior rates, the goals or policy objectives that weigh most heavily are those in association with the issue described in paragraph 1.6.6.1. The countervailing policy considerations derived from several submissions and sources are also important in the assessment. Among those considerations, the most prominent are:

- the recognition that junior rates give to a “*maturity deficit*” in the work and responsibility of young workers;

- the function of junior rates in making juniors competitive in the labour market for lower skill jobs, and as an incentive to employers to employ juniors;
- the need for a classification covering lower skilled entry level work or structured training arrangements;
- the simplicity of age based rates as a factor minimising disincentives to employ juniors;
- the suitability of age based rates for juniors as a class of casual employee predominantly oriented to education commitments;
- the contribution of junior rates in the school to work transition;
- the compatibility of age progression rates with the current structure of employment demand in the industries that most employ juniors.

3.4 Non-discriminatory Alternatives:

3.4.1 No significant issues were raised in the submissions to us about the definition of a non-discriminatory alternative to junior rates. It appears to be common ground that the expression means a rate of pay able to be applied to work performed by juniors without regard to the age of the employee performing the work. Most of the submissions were more or less in accord about the definition of non-discriminatory alternatives. There were great differences of view about whether particular options were, or were not, non-discriminatory alternatives. Even greater differences existed about the desirability and practicability of using any thus far identified or proposed options to replace junior rates.

3.4.2 A public debate has preceded and accompanied all stages of the Inquiry. The nomination of particular alternatives to junior rates is an important step both in that debate and in the assessments we are required to make under section 120B. It may therefore be expected that the protagonists in that debate seek to bolster their own position by exaggerating the most objectionable option attributable to their opponents. Thus, many of those who seek to retain junior rates represent the primary position of the abolitionists as one calling for the abrupt and general replacement of junior rates with full adult rates. On the other hand, the retentionist position has not escaped from being represented as supporting not only retention but imminent reduction of existing junior rates. Such contentions exaggerate the substantive positions developed by both sides of the debate in the submissions to us. On what has been put to us thus far, neither of the extremes is advocated with sufficient authority or substantive analysis to justify it being considered as a real issue in our assessment. That is not a denial that, on each side of the debate, support can be found for either a reduction of existing junior rates, or their replacement with adult rates.

3.4.3 Those who favour the abolition of junior rates seek to serve one or more of the policy objectives we have identified in paragraph 1.6.6.1. A number of those who favour

abolition gave greater weight to what they argued to be a straight forward implementation of equal pay for work of equal value. Several submissions, most of them industry or award specific, called for the removal of existing junior rates classifications. The effect would be to allow all employees covered by the relevant awards, who were not in apprentice or trainee classifications, to be paid at the rate set by the classification structure generally for the work on which they were engaged. The Construction, Forestry, Mining and Energy Union (CFMEU) and Australian Rail, Tram and Bus Industry Union (ARTBIU) put submissions to that effect in relation to the building and construction industry and railway industry respectively. A significant number of awards are at present free of junior rates. The inference may be open that the parties to those awards include a number who see no need for rates of pay to give some form of discount to offset whatever lack of maturity or other deficit might be attributed to juniors.

3.4.4 However, a considerable number of those who supported the abolition of junior rates did so on the express basis that the non-discriminatory alternative they had in mind was not a simple substitution of the “*adult rate*” for the work performed. Thus the CFMEU in relation to its Forest Products Division favoured the use of enterprise agreements to replace junior rates. It accepted that the test for “*adult rates*” must be equivalence of work value. The preponderance of submissions favouring abolition of junior rates were predicated upon classification and pay progression being linked to competency standards, skill acquisition, or various “*proxies*” for maturation⁵⁹. Thus the Labor Council of NSW proposed that age 18 should be treated as the age at which pay rates should be linked to “*adult rate*” classifications based on competency standards⁶⁰. However the Council’s submission did not address directly the position of employees aged 16 or 17. Rather, it asserted that the “*key competencies*”, and demonstrated progression toward them, should be a basis for classification of entry level employees to low skill work. The Shop, Distributive and Allied Employees Association (SDAEA) submission was more direct. It conceded that age 16 and 17 junior rates need not be removed for some employees in defined circumstances⁶¹. The use of competency based classification progression to replace junior rates was advocated most unequivocally by the ACTU, the Australian Youth Policy and Action Coalition (AYPAC) and the State of Queensland.

3.4.5 Both AYPAC and the State of Queensland asserted that no group advocates the immediate conversion of junior rates to adult wages without regard to competency⁶². That assertion could not have been informed by the submissions made to us, and must be qualified to take account of the direct submissions to which we have referred. There was little support for an abrupt move to adult rates for the classes of work in which most juniors are currently employed. Both the State of NSW and the State of Queensland emphasised that there was no current intention to remove the legislative exemption of junior rates from the anti-

discrimination regime in the respective States. Each supported a gradual movement toward a competency based classification model which would include junior workers.

3.4.6 Only one industry wide competency based non-discriminatory alternative has thus far been proposed. That alternative involves a direct adoption of the NTW model for classification progression based on experience plus years since leaving school, or variations on that theme. Otherwise the only specific proposals for non-discriminatory alternatives involve, to a greater or lesser extent, an adoption of existing adult rate classifications upon the cessation of junior rate coverage of part or all of the employment currently covered by junior rates for employees aged from 15 to 20.

3.4.7 Three main categories of non-discriminatory alternatives to junior rates are identified in the Joint Governments' Submission⁶³:

- removing junior rates causing employees to be eligible for "adult" rates of pay;
- a skill or competency based alternative;
- other non-skill based alternatives.

One such is the years since leaving school and "*experience*" basis for rates of pay of the kind used for the NTW. Thus an issue for our consideration is: **Are there significant options for non-discriminatory alternatives other than replacement of junior rates by adult rates; replacement by skill or competency based classification of work or of particular employees; or replacement by experience related criteria? Is any one or other of those alternatives capable of being developed sufficiently to be a feasible substitute for existing junior rates?**

3.4.8 An associated but subsidiary issue concerns competency based classification models. It is that, for teenage employment, no adequate allowance is made in such competency progression for maturity and life experience deficits or for the administrative complexity of such models. **Are those objections corroborated or countered by experience of the NTW system or its antecedents?⁶⁴ Does experience or demonstration corroborate the submission made by the Labor Council of NSW to the effect that developed key competencies may be equated with the work responsibility, skills and maturity for which age has been used traditionally as a proxy?⁶⁵**

3.4.9 Several submissions have proposed emphatically that consideration of the removal or introduction of junior rates should be undertaken in a manner that is industry specific⁶⁶. Building and construction industry employers advanced a developed argument about the use of competency and skill based classification progression in that industry as a

non-discriminatory alternative to junior rates. They state a number of reasons for the view that there has been little progress in developing a competency based classification system for the building and construction industry. Among those reasons is the difficulty of developing formalised training models linked to the classification criteria, despite the considerable work done on competency standards since the introduction into the National Building and Construction Policy Award in 1994 of Appendix S, a competency based classification model. That history contrasts with the ARTBIU's contention about the railway industry. In that industry, junior rates are virtually obsolete because of the extent to which competency based progression has been embodied in the operative classifications. Those differences of view raise several issues:

- **Can the convertibility of work performed in junior rate classifications to competency based progression only be assessed by a virtual audit of progress toward competency based classifications in particular industries?**
- **Is the Master Builders' Association of Western Australia correct in its contention that the task of implementing competency based progression in classification practices would be enormous, and that: *“even where there has been substantial goodwill, the difficulty of the task has been underestimated”*?**

3.4.10 At paragraph 3.4.2 above, we referred to the relatively peripheral character of issues about the reduction of the level of payments available to juniors. Certainly, support for that option is canvassed or implied in a number of submissions. Some awards retain junior rates but prescribe the adult rate at age 18 or before age 21. Proposals to introduce junior rates to such awards connote the institution of a comprehensive age progression for employees within any new or revised junior classification. Therefore a postponement of entitlement to full adult rates is implied. Similarly, for those awards which contain only adult rates, any juniors employed might be faced with a reduction of their minimum rate if junior rates were to be introduced or reintroduced to such awards. Another possibility of that kind was proposed by the Government Members on the House of Representatives Standing Committee on Employment and Training, (HSCREET)⁶⁷. That proposal envisaged adoption by statute of a minimum wage to which a discount should be applied for junior employees whose wage progression thereafter should be based on assessed competency⁶⁸. We note that no submission put to this Inquiry has advocated that approach. We do not consider the possible use of statutory powers in that manner to be within our terms of reference.

3.4.11 Finally in this context, it is appropriate to refer briefly to some of the alternative forms of minimum rates for juniors or young workers that have been mentioned in submissions. The developing international practice of framing minimum wage standards to address youth employment problems was the subject of much comment. The reports and

papers that have attracted that comment contain much material that is relevant and persuasive about aspects of the assessment we are required to make. However, we note that, with minor exceptions, the schemes in existence or being developed in New Zealand, the United Kingdom, and Ireland are framed in terms that discriminate on grounds of age. Indeed, age is the basis of differentiation in both the existing New Zealand system and the proposed United Kingdom low pay model.

3.4.12 Thus in New Zealand since March 1994, teenagers have been covered by a youth minimum rate. A rate of \$3.68 per hour applies to workers aged between 16 and 19. This was equivalent to 60 per cent of the adult minimum wage. The reasoning for this change in New Zealand was stated to be an attempt to increase the opportunities for teenagers⁶⁹. In the United Kingdom, in June 1998, the First Report of the Low Pay Commission on the National Minimum Wage was presented to the Parliament. The Report found that low pay is more prevalent among certain groups especially young people⁷⁰. It advised that the new National Minimum Wage should be discounted by 12 per cent to allow a Development Rate for workers aged 18 to 20 and those on accredited training programs⁷¹. It further advised that 16 and 17 year olds and apprentices should be exempt⁷². With some adjustments of wage levels, those recommendations were adopted by the Blair Government⁷³. The Irish National Minimum Wage Commission in 1998 published advice to broadly similar effect. A proposal for a “*training rate*” for job entrants without experience regardless of age might also be noted. The rates proposed are at 75 per cent of the full-time minimum rate for the first year of training, 80 per cent for the second and 90 per cent for the third year⁷⁴. Those rates would not apply to hourly casual work because the training schemes envisaged are predicated on full-time employment. In relation to other countries, a recent OECD report notes:

“..... The setting of statutory minima wages for younger workers has changed over recent years in several countries. In Spain, the separate rate for under 17-year-olds was abolished in 1990 with the rate for 17-year-olds applying to all workers less than 18. A further change in Spain was introduced at the beginning of 1998 when a single statutory minimum wage was established with no distinction by age. In 1994, New Zealand introduced a separate youth rate (60 per cent of the adult minimum) for workers aged less than 20. In Canada, while youth rates still exist in some provinces, there has been a marked tendency over recent years for these rates to be repealed. In contrast, a youth rate was introduced in the United States at the Federal level as recently as 1996, but it only applies to the first 90 consecutive days of employment.”⁷⁵

3.4.13 In brief, we incline to the view that none of the proposals for a non-discriminatory alternative to junior rates in Australia is sufficiently linked with any recent overseas model of a minimum wage system to justify the elevation of any of those models to the status of an issue in our Inquiry. However, the extent of the retention of age discrimination in a number of them, and the express or implicit acceptance in most of them of the need for special measures to create an incentive for the employment of young people, must be noted.

3.4.14 Finally in relation to this topic, we observe that there is an issue of substance imbedded in the substantive positions reflected in the submissions. It is an issue about process. The continuing vagueness about the form and content of non-discriminatory alternatives fuels an inconclusive debate. We are concerned that damage may be caused by aspects of the debate. The unnecessary generation of false hopes, or the unnecessary promotion of unfounded fears about pay or employment outcomes, may adversely affect young people in the labour force who are already vulnerable. **In light of the second issue stated in paragraph 3.4.7, should the debate about replacing junior rates with non-discriminatory alternatives continue without any clear articulation of those alternatives for particular awards and industries? Would it not be more productive for all concerned, and less destructive for some, if concrete propositions were articulated as the basis for the assessments to be made by the Inquiry?**

4. THE CONSEQUENCES FOR YOUTH EMPLOYMENT OF ABOLISHING JUNIOR RATES:

4.1 Considerations that Weigh in the Assessment Process:

4.1.1 Our assessment of the consequences for youth employment of abolishing junior rates is required by paragraph 120B(2)(b). The requirement raises (initially) three considerations:

- the state and characteristics of “*youth employment*”;
- what is meant by “*abolishing*” junior rates, and the likely form of implementing the abolition; and
- the “*consequential*” effects of such abolition on youth employment.

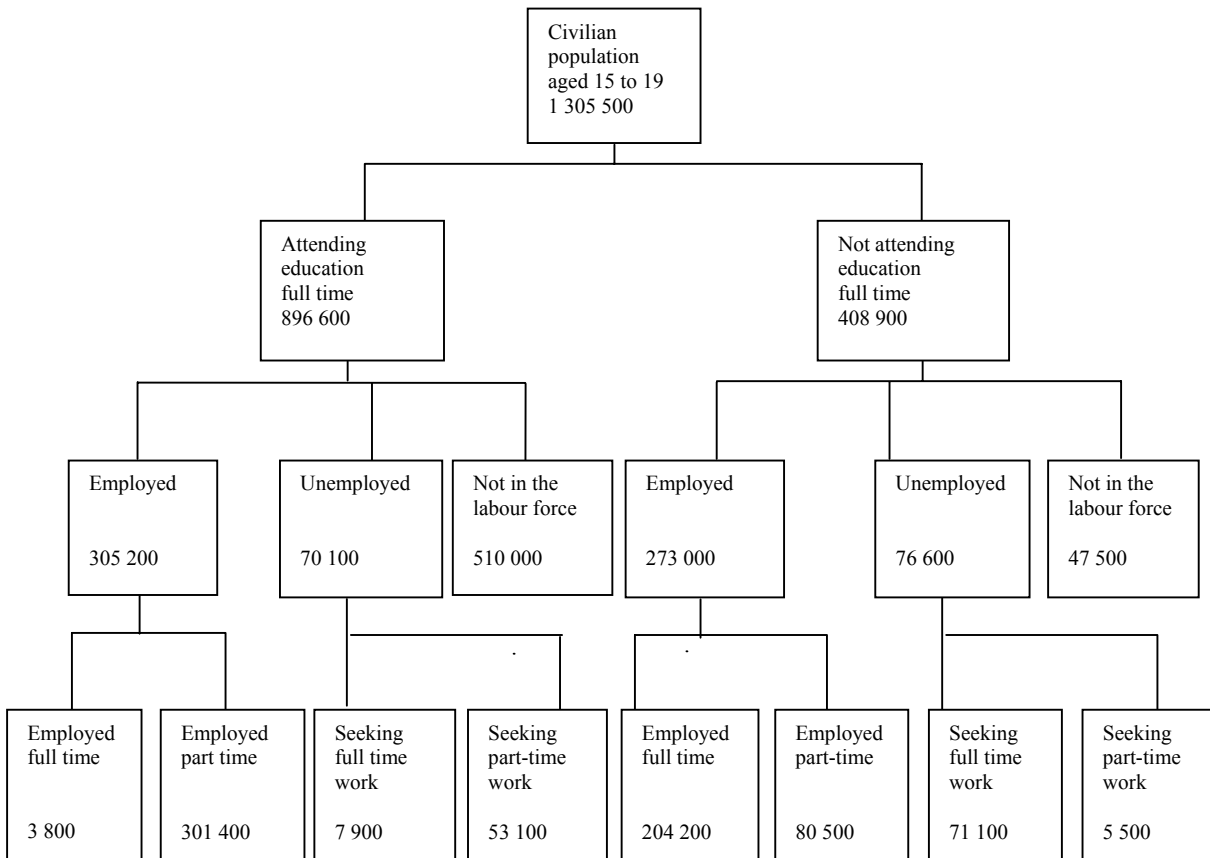
4.2 Youth Employment:

4.2.1 *Youth employment* may be taken to embrace the employment of a wider age class than juniors. For present purposes, we shall treat the expression in our terms of reference as concerned predominantly with the employment of young people in the age group covered by junior rates, generally from 15 to just under 21 years of age. There is a substantial literature on the subject of youth employment. The submissions to us and the materials upon which they draw are fertile sources of information about observed or anticipated effects of changes of various kinds upon the levels of youth employment. Less controversy, but not much less abundant material, exists about the main characteristics of youth employment. Our task of attempting to state definitively those characteristics is made no easier by the tendency for statistical collections to be subdivided. Teenaged employment for 15 - 19 year olds is one category. Youth employment for ages 20 - 24 is another. However, despite some variability in the age cohorts being measured, we doubt whether the main propositions about characteristics of employment of person under 21 years of age are significantly in issue.

4.2.2 The current employment status of the teenage workforce is outlined in snapshot form by a diagram prepared by the ABS and reproduced as Figure 5⁷⁶. That representation does not cover age 20 juniors nor does it show changes over time. However, it identifies the main subdivisions of the teenage population and labour force at June 1998:

Figure 5

Labour force status, 15 to 19 year olds, June 1998



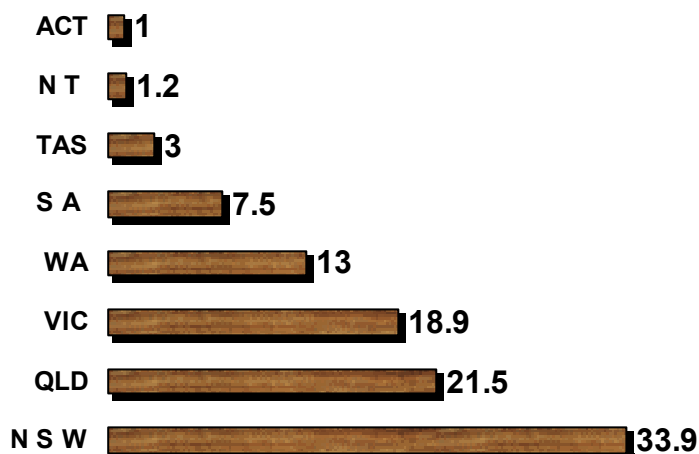
4.2.3 The demand for and placement of youth in employment in Australia has undergone massive change over the past two decades. There has been a marked increase in participation by young people in education. The school retention rates to Year 12 have increased from 35.1 per cent in 1978 to 71.8 per cent in 1997. The number of students who combine full-time education with some paid employment has also increased sharply. In August 1986, 15 per cent of full-time teenage students were employed; in August 1998, some 28 per cent were⁷⁷.

4.2.4 Full-time labour force participation among young people has collapsed. In 1966 teenagers comprised 14.1 per cent of the entire full time workforce with some 615,000 employed. By June 1998 only 208,000 teenagers were employed full time, although the entire workforce had grown in the meantime one and a half times larger. The proportion of teenage to all full-time workers had plummeted to 3.2 per cent⁷⁸. Perhaps significantly, the State of Queensland placed some emphasis on the distribution of full-time employment of youths, defined as 15 - 20 years, by State, as at August 1998. In that distribution, with 21.5 per cent of the total, Queensland is second only to New South Wales. The proportions apply of course to the relatively low level of full-time employees in that age group. The figures may be

corroborative of claims that the take up of apprenticeship and traineeship in Queensland may be relatively singular⁷⁹:

Figure 6

% by State of all 15-20 full-time employees



However, that impression may be itself a function of Queensland year 12 completion being generally by age 17, not 18 as it is elsewhere in Australia.

4.2.5 The decline in youth full-time employment has been partly offset by a growth in the level of part-time employment. Wooden⁸⁰ shows that the part-time share of employment of 15 - 19 year old males grew from 5.2 per cent in 1966 to 49.3 per cent in 1995. For all males, the corresponding growth was from 3.7 per cent to 11.1 per cent. Female part-time employment of 15 - 19 year olds grew from 6.0 per cent in 1966 to 72.3 per cent in 1995. For all females, the corresponding growth was from 24 per cent to 42.7 per cent. In those references, and in the statistics generally, “*part-time*” covers work for a period of less than the full weekly hours (usually 38 hours per week). It does not denote the standard industrial category of part-time employment. That category usually applies to work on a regular basis for less than full-time hours attracting pro-rata entitlements. The part-time employment in that sense is a more secure form of employment usually contrasted with “casual” employment. A high proportion of part-time teenage workers may be taken to be engaged on a casual basis:

"The increase in teenage part-time employment has coincided with an increase in adult part-time employment. However, much of the teenage part-time employment is of a casual nature - defined by the ABS as employment which is not entitled to annual or sick leave. Unpublished ABS data in Wooden (1998) reveal that casual employees working less than 35 hours a week

accounted for 56 per cent of youth employees in 1996. The comparable figure for adults was 13 per cent."⁸¹

Moreover, the proportion of casuals among teenage workers has grown. The Joint Governments' Submission demonstrated from unpublished ABS data that casual employees as a proportion of all part-time teenage workers increased from 69.3 per cent in August 1984 to 89.8 per cent in August 1997⁸².

4.2.6 For the purposes of this Inquiry, the distribution of pay arrangements for employees aged under 21 is a critical characteristic of youth employment. No submission, and none of the references we have consulted, provided definitive figures for the distribution of juniors paid award or agreement junior rates as distinct from adult rates. The Joint Governments' Submission acknowledged that no single existing data source shows the proportion of employees paid at junior rates. From several sources, that submission derived an approximate estimate. Before coming to that estimate, we note that estimates of the proportion of "*juniors paid award or agreement rates*" may lack definition. Employees who may be described in a survey as being paid junior rates are presumably identified by reference to their age and probably by their classification being to some extent age-based. It is readily apparent that many employees under age 21 will be in receipt of over-award payments. By reason of their relevant award or agreement junior classification, juniors may be paid at an adult rate equivalent. Those possibilities are a contrast to the calculation of the proportion of employees covered by junior rates supplied in the Joint Governments' Submission. The contrast is given substance by a survey reported in the Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union (AMWU) Submission⁸³. That survey reviewed unpublished ABS data that showed that, in the metal and engineering sector, of a total of 321,263 employees, 35,913 were juniors including apprentices. Of them, 7,872 or 22 per cent were paid over-award rates.

4.2.7 In estimating the proportion of employees paid at junior rates, the Joint Governments' Submission used the ABS Survey of Employee Earnings and Hours (EEH Survey) data to indicate that 7.3 per cent of all non-farm employees were paid junior rates in May 1996⁸⁴. The Labour Force Survey figures, including unpublished data, were then drawn upon to calculate that around 724,000 non-farm employees were under age 21 at May 1996. Of those, about 505,000 (including apprentices and trainees) were on junior rates. According to the National Centre for Vocational and Education Research Limited, there were around 97,500 apprentices and trainees aged under 21 in May 1996. The Joint Governments' Submission preferred that estimate to an EEH Survey estimate of the number of apprentices and trainees comprehended within the total survey figure. The resultant calculation of an estimated total coverage of junior rates and other pay arrangements appears in Figure 7. Our inclusions of total figures and estimated numbers of employees incorporate the data supplied

in broadly similar form by the Joint Governments' Submission. However the Joint Governments' Submission did not give an aggregate figure in the corresponding table because of what we understand to be caution about the compatibility of the aggregate figure with the figures derived from the EEH Survey used for the industry categories applying the ANZIC industry classification.

Figure 7
Pay arrangements for employees aged under 21 - May 1996⁸⁵

	Apprentices and trainees	Junior rates	Paid at the adult rate	
	%	%	%	%
C Manufacturing	25.8	27.5	46.7	100
E Construction	46.8	7.2	46.1	100
G Retail trade	6.7	69.7	23.6	100
H Accommodation, café and restaurants	12.7	49.0	38.3	100
L Property and business services	40.1	43.2	16.6	100
Total of industries (excl Agriculture)	13.5	56.3	30.2	100
Estimated number of employees	97,500	407,500	269,000	724,000

4.2.8 In the absence of a source for a different or more definitive estimate of the overall coverage of junior rates, we intend to adopt the estimates supplied by the Joint Governments' Submission outlined. **Acceptance that a characteristic of junior employment is that 56 per cent of employees under age 21 are paid junior rates may mask several definitional issues. The mere identification of wages as paid under junior rate classifications may leave open questions about:**

- **the age at which equal remuneration with an adult classification rate may be achieved within particular junior rate classifications;**
- **the possible operation of State award or certified agreement junior rates provisions;**
- **the admixture in junior employment of apprentices, unapprenticed juniors and trainees; or**
- **the effect of over-award arrangements.**

Questions of that kind appear to be open least in the retail, construction, rail transport and Australian Public Service industries or sectors. Relatively detailed analyses of the coverage of junior rates in those areas have been supplied in submissions. Is any issue of substance about the estimated coverage of junior rates provisions pressed? If it is, it would be most expedient for any such issue to be developed in a way that links it to a particular industry, award, or industrial context. Does the establishment of accurate

figures for the relative incidence of award or agreement junior rates as the actual rate of pay have an impact on the cost of abolishing junior rates; or an impact upon the degree to which age related progression in junior rate classifications denies equal remuneration for work of equal value?

4.2.9 The structure of teenage employment has been changed also by an increasing concentration of employment within certain industries. The majority of full-time teenage jobs are in the Retail, Manufacturing and Construction industries, but the share in Manufacturing has been falling. As to part-time work, the retail sector dominates. Otherwise, only in the accommodation/hospitality and the property and business services sectors is full-time teenaged employment significant and growing in its share. Figure 8, a table extracted from the Joint Governments' Submission, illustrates the point. It also shows the directions of growth and decline by industry:

Figure 8
Distribution of the shares of teenage employment by industry,
original data May 1986 and May 1998

Industry	Full-time		Part-time		Total	
	1986	1998	1986	1998	1986	1998
Agriculture, forestry and fishing	4.5	4.5	6.6	2.3	5.2	3.1
Mining	1.4	0.3	0.0	0.1	0.9	0.2
Manufacturing	18.3	16.2	5.4	3.0	13.9	7.8
Electricity, gas and water	1.5	0.1	0.1	0.0	1.0	0.0
Construction	7.0	13.8	1.8	0.7	5.2	5.4
Wholesale trade	5.5	7.1	1.8	2.0	4.2	3.8
Retail trade	24.6	28.7	60.2	61.9	36.7	49.9
Accommodation, café and restaurants	2.5	7.2	7.5	11.5	4.2	10.0
Transport and storage	2.7	3.0	1.2	0.5	2.1	1.4
Communication services	1.2	0.2	0.1	0.4	0.9	0.4
Finance and insurance	9.4	1.4	0.3	0.4	6.3	0.8
Property and business services	5.7	7.1	2.7	3.9	4.7	5.1
Government administration and defence	3.7	0.7	0.3	0.3	2.5	0.4
Education	1.1	1.5	1.4	1.6	1.2	1.5
Health and community services	5.3	2.9	3.1	3.1	4.5	3.0
Cultural and recreational services	1.7	1.5	3.7	4.3	2.4	3.3
Personal and other services	4.1	3.7	3.8	4.0	4.0	3.9
Total (%)	100	100	100	100	100	100
(number of jobs)	(441,200)	(214,217)	(229,300)	(378,238)	(670,500)	(592,500)

4.2.10 Unemployment among youth has in recent decades continued to be at high levels. This is so whether the comparison is with youth unemployment rates in years or decades past, or with youth unemployment levels in comparable nations overseas. In that context we note that the foundation for statistics published by the Australian Bureau of Statistics defines "employment" to include "any paid work of one hour or more per week,

*while unemployment is restricted to those without work who are actively seeking and available to start work during the reference period*⁸⁶.

4.2.11 By reference to the latest official Australian data the unemployment rate for those aged 15-19 years stood at 19.9 per cent as at September 1998⁸⁷. This is to be contrasted with an unemployment rate of 11.7 per cent among persons aged 20-24 years, 8.2 per cent among all ages (aged 15-64) and of 7.0 per cent for those aged 20 and over⁸⁸. The unemployment rates for those under 20 have been consistently two to two and a half times higher than for those aged 20 or over. Thus in August 1968 the teenage unemployment rate was 3.4 per cent (while the rate for all ages was 1.6 per cent). In August 1978, it was 16.8 per cent (the total rate was then 6.2 per cent). In August 1988, it was 15.5 per cent (the total rate was 6.8 per cent). By August 1998, the teenage rate stood at 18.8 per cent (while the total rate was 7.9 per cent)⁸⁹. Among teenagers looking for full-time work, in August 1998 the unemployment rate was 27.1 per cent while among those looking for part-time work it stood at 15.6 per cent⁹⁰.

4.2.12 The dramatic decline in the employment prospects for youth was not in issue. Most of the differences that emerged in the submissions put to us, or in the available commentaries, appear to be matters of emphasis about how to best illustrate the youth employment predicament:

- (1) Thus the House of Representatives Standing Committee on Employment, Education and Training, (HRSCEET), in September 1997 highlighted the way in which demand within industries has fallen away:

*" - Changes in the composition of the labour market have seen the most severe declines occurring in entry level jobs once the domain of teenagers entering the labour market. Employment growth for teenagers in skilled trades has been strongly negative, falling more than 33 percent in about ten years. Banking was once an industry which gave large numbers of teenagers their first job as a teller but technology has transformed the industry and the entry level jobs have disappeared. In the insurance industry the proportion of employment for under 21 year olds has fallen from about 18 per cent of the workforce to about 5 per cent since 1987. Technology and policies favouring privatisation, corporatisation and outsourcing have also transformed the state and federal public sectors at the cost of large numbers of entry level jobs."*⁹¹

- (2) Similarly, the ARTBIU demonstrated in its submission that the Railway industry use of junior employment has almost vanished. On the figures presented for the State Rail Authority of New South Wales, there are only 33 persons aged 18 years or less out of a total of 9015 employees⁹².

- (3) Likewise, the Community and Public Sector Union demonstrated from employment data relating to Australian Public Service, (see Figure 9), that the “APS has virtually ceased being an employer of people in this age group”⁹³.

Figure 9
APS teenaged employment and recruitment 1988 - 1997

Year	Number of Employees	Percentage of Permanent Workforce	Number of Appointments	Percentage of Total Appointments
1988	2295	1.6	1543	11.9
1997	84	0.1	107	2.1

- (4) In June 1998, the Minister's Discussion Paper on Junior Rates noted the main areas of growth in teenage employment:

" The retail industry has been the major employer of teenagers for a number of years. In 1984/85 the annual average employment of teenagers in the retail industry was 200,400 (36.1 per cent of total teenage employment). While the growth in teenage employment in this industry did not fully keep pace with overall employment growth in the industry, in 1996/97 annual average teenage employment in the retail industry had increased to 288,900 (49.4 per cent of total teenage employment).

The manufacturing industry remains the second largest employer of teenagers, with an annual average of 51,600 teenage employees (8.8 per cent of total teenage employment) in 1996/97. However, while overall employment in this industry fell slightly by 9,500 (0.8 per cent) between 1984/85 and 1996/97, teenage employment fell by 47,700 (48.1 per cent) over the same period.

The accommodation, cafes and restaurants industry is now the third largest employer of teenagers with an annual average of 50,400 teenage employees (8.6 per cent of total teenage employment) in 1996/97. While this industry has experienced strong overall employment growth (76.9 per cent) since 1984/85, its growth in teenage employment has been even stronger (103.1 per cent) over the same period.

The property and business services industry is the fourth largest employer of teenagers with an annual average of 34,000 (5.8 per cent of total teenage employment) in 1996/97. While this industry experienced a strong growth in employment between 1984/85 and 1996/97 (97.2 per cent), the growth in teenage employment within the industry has been modest (18.8 per cent) over the same period.

While some of the falls in teenage employment in particular industries have been consistent with overall employment trends within the industry, some industries which experienced an increase in employment between 1984/85 and 1996/97, have had a reduction in teenage employment over the same period. These industries include government administration and defence, finance and insurance, and communication services."⁹⁴

4.2.13 The Joint Governments' Submission analysed recent changes in the pattern of teenage employment and experience in the school to work transition. It then gave a short analysis of changes in junior-adult wage relativities. That analysis demonstrated among other

things that the real hourly average earnings of teenage employees have risen over the last decade. That point contrasts with the figures presented at paragraph 1.5.3 but perhaps the measure is more quantitative than qualitative. The analysis showed over the same period a small fall in the ratio of teenage to adult hourly earnings for both full-time and all teenage employees, but not for part-time employees. The conclusion included a proposition that recent falls in teenage full-time employment have been associated with rises in real hourly earnings:

“3.7 Conclusion

There has been a marked deterioration in young people’s position in the full time labour market over the past 15 years. There has been a steady decline in full-time employment opportunities for young people, accompanied by persistently high rates of full-time youth unemployment. At the same time there has been an increase in education participation and in the proportion of young people who combine full-time education with part-time employment. Youth employment is concentrated in a narrow range of industries, with retail trade accounting for around 50 per cent of teenage employment overall, and around 62 per cent of teenage part-time employment.

The available material highlights the importance of participation in employment, both while at school and soon after leaving school, to future labour market outcomes. It suggests that obtaining a job soon after leaving school is an important factor influencing the successful transition into employment; that early workforce engagement can reduce the probability of prolonged unemployment; and that part-time work while still at school improves the chances of getting a job on leaving school.

The data suggests that recent falls in teenage full-time employment have been associated with rises in real hourly earnings. However, it is difficult to make definitive statements on the basis of these data as other things are not held constant. This highlights the need for regression analysis which seeks to identify the independent impact of youth wages on youth employment.

... ”95

Should the Inquiry do other than accept that there is no substantive basis on which the analysis about youth employment set out in Chapter 3 of the Joint Governments’ Submission and the conclusion in paragraph 3.7 of that submission as quoted in paragraph 4.2.13 of this Paper, should be disputed?

4.3 “Abolishing” of Junior Rates:

4.3.1 The abolition of junior rates contemplated in section 120B appears to be the removal of junior rates from awards and agreements by the processes established to rid awards and agreements of age-discriminatory provisions. The operative form of any such removal is problematic. The character of the provision or provisions that might replace an existing junior rate is speculative. The substance of such a provision must be assumed if the consequences of it are to be assessed. Among other considerations that bear upon any such assumptions are several that should prevent any tendency to oversimplify the process that

might result in abolishing junior rates. Those most immediately relevant for the purpose of this paper are:

- the durability in State industrial regulatory systems of the exemption of junior rates in State awards from anti-discrimination regulatory schemes;
- the availability, or the non-availability of non-discriminatory alternative provisions that may or may not result in wage rates for juniors being increased to levels significantly in excess of currently prevailing junior rates;
- the room for discretionary exceptions related to the *inherent requirements of* (the particular) *employment* and the *appropriateness* of variation of awards. The current regime for bringing award and agreement provisions into compliance with the non-discriminatory criteria are based upon subitem 51(8) of Schedule 5 of the WROLA Act and the corresponding provisions of sections 143 and 170LU of the Act. Those provisions allow for exceptions based on those criteria;
- the absence of junior rates from a significant proportion of awards or agreements; the advancement of adult rates for juniors employed under particular awards or agreements; or the disuse of effectively defunct junior rates provisions because there is no actual junior employment under the award or agreement.

4.3.2 The majority of submissions opposing the abolition of junior rates, and a few of the submissions supporting that step, adopted or advocated a simple view of how the process would work. In that view, abolition of junior rates is linked with a relatively automatic substitution of the appropriate adult classification pay rate for all or some of the juniors currently covered by junior rates. We have noted at paragraphs 3.4.4 and 3.4.5 some qualifications about the direct advocacy of that form of non-discriminatory alternative. In paragraphs 3.4.7, 3.4.8, 3.4.9 and 3.4.14, we have formulated several issues for discussion. The nature and centrality of those issues indicates the highly contingent quality of assumptions about the classifications that may eventuate from the process for abolishing age-based rates. The premise that the abolition of junior rates may be equated with an automatic lift in the wage level of each junior employee to the equivalent adult rate for whatever job or jobs are being performed within a current junior rate classification must be subject to that caution.

4.3.3 Even if it be assumed that age neutral rates for employees will replace junior rates, **Appendix 4 Part A** illustrates junior rates in a way that by itself nearly tells the story of another issue. In many awards the junior rates are (according to age) percentages of a single (usually base level) classification. **Should it be assumed that adult rate replacement of junior rates will translate to a rate for all jobs currently covered by junior rate paid at 100 per cent of that single comparator classification rate? Should it be assumed that the**

replacement provisions will classify young workers at 100 per cent of the appropriate classification rate applying hitherto to adult workers performing the same or similar job?

4.3.4 The main forms of non-discriminatory alternatives canvassed in the submissions to us did not include any proposal for an alternative in which juniors would in effect not have their wage rates regulated. That possibility appears to be a remote probability in the Australian industrial regulatory system. However the potential existence of an issue about an option of that kind is not entirely discounted by the *status quo* in Australia. One outcome of the Low Pay Commission in the United Kingdom has been the introduction of a National Minimum Wage (NMW), from which 16 or 17 year old employees are excluded⁹⁶. The institution by statute of an award free regulatory scheme providing for a “*National Youth Wage*” was proposed in one of the majority recommendations of the HRSCEET Report in September 1997⁹⁷. We have received no concrete proposal about how a recommendation along those lines should be taken into account in the report of this Inquiry. In the absence of submissions about the option, we reiterate the view we expressed at paragraph 3.4.9 above, to the effect that it need not be part of the assessment we make about the consequences for youth employment of abolishing junior rates.

4.3.5 Otherwise, and subject to the contingencies we have noted, our provisional approach to issues about the process of abolishing junior rates will be framed within the boundaries of the current award regulatory system. In that system the process for ensuring that award provisions do not discriminate on prohibited grounds has been declared by legislation in general terms. The contingent nature of the outcomes that may emerge as non-discriminatory alternatives may need to be part of any assessment to be made.

4.4 The “Consequences” of Replacing some Junior Rates with Adult Rates:

4.4.1 For the reasons we have given in paragraphs 3.4.4 and 3.4.5, the issue about an across-the-board replacement of junior rates by the most costly alternative, adult rates for all juniors, is blurred. The quantification of the cost of that non-discriminatory alternative is the starting point of one of the main arguments made against the abolition of junior rates. The assertion that there will be a mark-up of junior wages from a percentage of adult wages to full equivalence is pivotal. It is the foundation for an array of economic, industrial and social policy points against a change from the existing levels of junior rates. Of course, a number of those points may be sustainable on grounds other than a likely increase in the wage costs of employing juniors. But the primary argument is dependent on increased wage cost propositions.

4.4.2 The primary argument predicts that there will be catastrophic labour market effects of an increase to junior wages. The presentation of data, analysis and survey material in support of that argument occupied a substantial proportion of the submissions and reference literature available to the Inquiry. It is appropriate to identify some of the main sources relied upon. The relative authority of those sources creates in summary form a perspective for what we consider to be the most immediate issue to arise from the primary argument we have outlined.

4.4.3 The key propositions are that lower wages are necessary to protect the employment prospects of young people, and that increases, particularly differential increases, in such wages will result in reduced employment of young people. Those propositions are founded upon economic theory related to the “*own-wage elasticity of labour*”. That notion is a measure of the percentage change in employment of a class of employee resulting from a percentage change in the wage for that category of employees. The soundness of the theoretical basis and the weight of economic evidence about that notion or the application of it is dealt with in much detail in several of the principal submissions made to the Inquiry⁹⁸. In the main, those submissions drew upon literature surveys or recent institutional studies.

4.4.4 Since about 1995, debate about such economic theory, and about the desirability or otherwise of lifting the quantum of minimum wages, has been enlivened by the empirically based counter arguments of Card and Kruger. In “*Myth and Measurement: The New Economics of the Minimum Wage*”, they challenged the conventional view that higher minimum wages reduced jobs for low paid workers⁹⁹. That view was visited in virtually all submissions to us that discussed the economic effects of changing junior rates. Likewise debates about the propositions by Card and Kruger have informed the more recent studies and papers to which we have been referred¹⁰⁰.

4.4.5 In one of the most recent studies, the OECD reviewed the impact on employment of statutory minimum wages in a range of countries. It concluded:

“The results suggest that minimum-wage rises have a negative impact on teenage employment, although the magnitude of the reported elasticities varies significantly, from -0.3 to -0.6 when Spain and Portugal are excluded, and from 0 to -0.2 when they are included in the regression. In some of the specifications, negative employment effects are also found for groups of workers other than teenagers.”¹⁰¹

“... a number of tentative conclusions can be drawn, Firstly, the results suggest that a rise in the minimum wage has a negative effect on teenage employment. Secondly, negative employment effects for young adults are generally close to or insignificantly different from zero. Thirdly, for prime-age adults, the most plausible specifications suggest that minimum wages have no impact on their employment outcomes.”¹⁰²

4.4.6 That analysis, and the studies upon which it was founded, have been given persuasive weight in several inquiries of the kind we are making. OECD submissions to similar effect became an influential component in the rationale for recommendations made earlier in 1998 by the United Kingdom Low Pay Commission¹⁰³, and by the Irish National Minimum Wage Commission¹⁰⁴. In Australia, some of the more recent literature has been reviewed in debates during the *Safety Net Review Wages Cases* about the impact of increase to minimum wages. The *April 1998 Safety Net Review Wages* decision (SNR)¹⁰⁵ provided a summary of relevant Australian and overseas studies and concluded in respect of employment generally that “*moderate safety net increases are likely to have, at most, limited employment effects*”¹⁰⁶. After reviewing some of the same body of literature, the September 1997 HRSCEET Report recommended “*that the Department of Industrial Relations undertake or commission empirical research on the relationship between the changes in the level of wages and employment levels*”¹⁰⁷.

4.4.7 Presumably in response to that proposal, the Productivity Commission published a research staff study in October 1998. It examined numerous minimum wage studies particularly those carried out overseas and concluded that:

*“The impact of minimum wage changes on employment remains a controversial issue. While there is disagreement about the likely effects on employment of a small change in the minimum rate, there seems greater agreement that large changes are likely to affect employment. Many of the studies that argue for a limited effect on employment are focused on the short run, but it is important to also consider the longer run implications of minimum wages. There are substantial lags in the adjustment process and it takes time for capital-labour substitution to take effect. Finally, studies that focus on minimum wages - set at low levels and affecting only a small proportion of the workforce - are likely to understate significantly the employment effects of wage changes affecting much larger groups.”*¹⁰⁸

On the basis of their own econometric analysis of a data set derived from a 1995 survey of employees from some 1,800 workplaces, the researchers found:

*“While there remain many unanswered questions on the relationship between wages and employment, the balance of evidence presented here suggests that a large increase in the relative wages of teenagers could be expected to have a negative impact on their employment.”*¹⁰⁹

That last conclusion was based upon specific findings about youth own-wage elasticities in Australia. Those were interpreted to indicate that a one per cent increase in youth wages would lead to a decrease in youth employment of two per cent in the retail industry, 2.5 per cent in the culture and recreational services industry and five per cent in the accommodation industry¹¹⁰. The overall conclusion was expressed as follows:

“The purpose of the study was to examine the determinants of youth employment in order to shed light on the possible implications of abolishing junior rates of pay in State and Federal awards. To the extent that replacing such awards with non-discriminatory alternatives would lead to an increase in youth wages, the results of this analysis would suggest quite strongly that there would be a more than proportional reduction in youth employment.”¹¹¹

4.4.8 Our reference to the passages quoted should not be read as a minimisation of the points made for and against particular propositions advanced about the employment effects of pay increases in particular circumstances. The literature on the subject is voluminous. Already some of the key propositions advanced in the Productivity Commission research paper have been challenged by other researchers¹¹². However, the tentative conclusions expressed by the OECD in the passage quoted at paragraph 4.4.5 above have a broad analytical and empirical basis. They are concordant with a judgment that Card and Kruger themselves acknowledged to be a matter of degree when they stated in relation to the policy implications of minimum wages:

“... Our findings suggest that the efficiency aspects of a modest rise in the minimum wage are overstated. In the diverse set of policy experiments summarized in Table 12.1, we find no evidence for a large, negative employment effect of higher minimum wages. Even in the earlier literature, however, the magnitude of the predicted employment losses associated with a typical increase in the minimum wage are relatively small. This is not to say that the employment losses from a much higher minimum wage would be small: the evidence at hand is relevant only for a moderate range of minimum wages, such as those that prevailed in the U.S. labor market during the past few decades. Within this range, however, there is little reason to believe that increases in the minimum wage will generate large employment losses.”¹¹³

The debate about such questions of degree is still evolving. The advice given by the United Kingdom Low Pay Commission may demonstrate that there is none the less a measure of consensus that the competitive position of young people seeking entry level employment merits special consideration when minimum wages are being established or adjusted.

4.4.9 The Joint Governments’ Submissions to the Inquiry; the OECD 1998 Economic Outlook; the United Kingdom Low Pay Commission and the Irish National Minimum Wage Commission, (each of which adopt OECD submissions); and the 1998 Productivity Commission: Staff Research Paper, is each supportive of the proposition that movement in the real value of minimum wages relative to other wages is likely to have adverse effects on employment of minimum wage earners. **Is it open to the Inquiry to do other than adopt the view that an effective removal and non-replacement of the existing discounts for age against adult wages will involve relative adjustments of a dimension that will result in significant dis-employing effects for the class of employees now in receipt of junior rates, or the class that will be likely to be in receipt of the substituted pay rates? If not, is the principal issue in any assessment of the effect of removal of**

junior rates substantively an issue as to the wage cost effect brought about by the change?

4.4.10 Differences of opinion about what should be preferred non-discriminatory alternatives and the problematic nature of the process, distort issues about what outcomes may be expected from the process for removing age discriminatory provisions. Despite that, a relatively well defined issue about the partial replacement of junior rates by adult rates is formulated in the submissions of the SDAEA and the Australian Retailers Association (ARA) respectively. **The SDAEA and ARA submissions may be read as joining issue over whether junior rates provisions in awards generally should allow 100 per cent of the comparator adult rate for Retail Worker Grade 1 to be paid to employees aged 18, 19 and 20 “who can and do perform the inherent requirements of a job with an output equal to the norm for adults”¹¹⁴⁹. Retail Worker Grade 1 juniors are currently paid about 67.5 per cent, 80 per cent and 90 per cent of the comparator rate respectively¹¹⁵. Of a broadly similar increase to the junior rates paid under the New South Wales Shop Employees (State) Award, the ARA asserts that resultant wage increases in the rates for employees of those ages would be 43 per cent, 25 per cent and 11 per cent respectively¹¹⁶.**

4.4.11 The respective positions on that, or similar issues, are qualified in a number of respects. In particular, the SDAEA submissions suggested that negative cost impacts might be avoided by a “gradual shift” on a “phase-in basis”¹¹⁷. However, the issue, as we have stated it, is a convenient focus for the array of material, surveys, points and contentions that the participants in the debate have marshalled. In the discussion of this paper, we have stated the issue in the form of a relatively concrete proposition. We intend it to be a proposition against which proposals for an agreed resolution of it, or the respective arguments about it, may be tested in further discussions. We are not unmindful that a possible factor in any such discussion may be the preponderance of State industrial authority award regulation in the retail industry.

4.4.12 In discussing options for non-discriminatory alternatives, several submissions canvass classification formulae which might not result in substantially different levels of wage payments for less experienced junior workers. In particular, the State of Queensland advocates a gradual movement toward replacement of age based classifications. The alternatives it advocates are competency and experienced based classifications producing rates of pay not markedly in advance of those available from existing junior rates or the National Training Wage models. On a similar theme, the *Safety Net Review (Wages) Decision* in April 1997 cautioned against the grant of large increases to safety net rates:

“Increased award rates at all levels by 8.75 per cent, however, would alter, to a significant degree, the position of one group - award dependent employees - relative to that of employees

who have benefited from agreements. The micro-economic effects...might be small; but they might not be. A measure of caution is required."¹¹⁸

If those and other points of view are to be developed, there appears to be an issue: **In what circumstances, if at all, could the abolition of junior rates properly be characterised as having the possible effect of a moderate increase? Could the effect of abolishing junior wage rates properly be treated as likely to be productive of similar economy-wide effects on employment generally as a moderate minimum wage increase?**

4.4.13 Several submissions, and sources of information to which we have recourse, raise the possibility that an increase in the rates of pay of youth hitherto paid junior rates may impact negatively on the employment and the number of young persons undertaking apprenticeships or traineeships. That possibility is based on a number of assumptions, but has significant implications for development of training and the skills base. It gives rise to the issue: **Does movement to eliminate age discrimination by the payment of adult rates to youth not undergoing apprenticeships require concurrent measures to assess and, if necessary, redress the possible impact of such changes on the numbers seeking to take up apprenticeships?**

4.4.14 The Dusseldorp Skills Forum in March 1998 reported on the dramatic expansion in access to traineeships by adults:

"In 1989-90, no adults commenced a traineeship. Traineeships were designed by the 1984 Kirby Committee of Inquiry into Labour Market Programs as an entry level training scheme for youth, and were initially targeted at 16-17 year olds who had left school without completing Year 12. However in 1992 access to traineeships was extended to adults, and employers were able to access government wage subsidies when recruiting adults as trainees. In 1994 Working Nation created the National Training Wage which, for the first time, introduced a wage structure that allowed adults' wages to be discounted to reflect time spent in training.

The outcome of these decision has been a dramatic increase in adult access to traineeships, and a program intended to be a new form of entry level training for youth has rapidly become an adult training program. In 1996 28,157 of those who commenced a traineeship were aged 20 or older, and teenagers constituted only 41 percent of all trainees. Data for financial year 1996-97 show that 45 percent of trainees are aged 21 years and over with 26 percent aged 25 years and over."¹¹⁹

Conversely, several submissions, the Australian Democrats being one, argued that the benefit to the employer of the flexibility, adaptability and malleability of young employees in entry level work is under-valued in junior rates¹²⁰. **Assuming the existence of competitive rates between "adults" and teenagers for work or training opportunities of an equivalent class, (brought about either by lowering the rate for the less experienced of the former, or by increasing the discounted rate for age applicable to the latter), is there a**

compelling body of experience and practice to demonstrate that employers will prefer the use of more mature workers?

4.5 The Consequences of Other Forms of Abolishing Junior Rates:

4.5.1 For the reasons we have touched upon in Section 4.3, the assessment of the consequences of abolishing junior rates must be heavily contingent upon how any such abolition might be implemented. The submissions to the Inquiry canvass various grounds for supporting or opposing particular alternatives to junior rates. A number of considerations relevant to the desirability or undesirability of particular non-discriminatory alternatives are also likely to be relevant to the consequences for youth employment if the alternatives to junior rates are implemented.

4.5.2 Several options other than replacement of junior rates with “*adult*” rates have been referred to in earlier sections of the paper. The development of competency, skill, or relative experienced based classifications is the most prominent of those alternatives. Propositions and considerations relevant to the issues raised about the development of non-discriminatory alternatives will be identified as part of the assessment of those options. Those and other considerations will need to be separately assessed for the effect on youth employment were such a classification to be developed and implemented. However, it is expedient at this stage to channel the central discussion of such considerations as far as practicable to the issues raised generally in **Sections 1 and 3**.

5. THE UTILITY OF JUNIOR RATES FOR DIFFERENT INDUSTRIES OR TYPES OF EMPLOYMENT AND IN THE SCHOOL TO WORK TRANSITION:

5.1 Industry Specific Character of Some Considerations in Assessment:

5.1.1 The assessment called for under this topic of the terms of reference has a readily apparent purpose. It is to assist in identifying the particular uses and attributes of the function of junior rates in the sets of employment circumstances specified. The assessment required may be prepared by reference to the various uses, advantages and disadvantages associated with the use of junior rates in the industrial or employment circumstances nominated. In large measure, that task of assessment will be based upon points made in submissions about the function and effectiveness of junior rates. As well, several of the most concrete points and considerations are likely to emerge from an examination of the history of junior rates and of the issues we have listed in earlier sections of this paper. It is not necessary to develop those points or new issues in this section.

5.1.2 Several submissions reinforced the implication in paragraph 120B(3)(c) that the utility of junior rates varies between industries and occupations. Submissions about the retail industry emphasised the importance of age discounted rates of pay for entry level employees as both an incentive to employ and as a cost offset for perceived characteristics of junior employees. We shall use a short hand description of those characteristics as maturation or training deficits. Submissions made by ACCI, McDonald's Australia Ltd (McDonald's), and Coles-Myer Ltd in particular named some of the deficit areas. In paraphrase, they argued: *age based rates represent a simple rational and intelligible proxy for the development of work competencies in the nature of: team work, organisation and planning, responsibility; punctuality; customer awareness; communication; initiative; self-confidence; respect for work authority; healthy work ethics*¹²¹. The SDAEA and, to a lesser extent, the Labor Council of NSW acknowledged that particularly in relation to ages 16 and 17, there may be a use for youth rates for "*genuine juniors*". That concession was dependent upon such rates being adequately related to work value, and an objection to any retention at all of the concept once the age of majority is achieved at age 18¹²².

5.1.3 In contrast, submissions about industries, other than retail and "*catering*", raise a different set of issues. The submissions put by the ARTBIU in relation to the rail transport industry and by the CPSU in relation to the Australian public service suggested that, in those sectors, the retention of existing junior rates was serving almost no useful purpose¹²³. Junior

rates in the relevant awards, it was submitted, were almost defunct with virtually no juniors employed by those public authorities and utilities. The level of junior employment and the conditions applicable to juniors in the building and construction industry was developed in detail in several submissions that effectively present an issue that may need to be addressed by the Inquiry. The Master Builders Association of Australia (MBA Australia)¹²⁴ examined the very low level of use of juniors other than for apprenticeships, as did several other submissions¹²⁵. Generally, those submissions argue for a wider access to junior rates in construction industries. A key point is that builders will not employ juniors in competition with adults, if juniors must be paid at adult rates. The submissions argue a need for a lower wage entry point to the industry. They express concerns about a relative collapse in apprenticeship levels and about expectations of not being realised for either the traineeship system or competency based classifications. It is apparent from those references, and from the submission put by the CFMEU, as well as from submissions in respect of several industries, that there is almost a consensus on one point. It is that the issues about the utility, retention and/or abolition of junior rates or special measures to encourage employment of juniors should be industry specific and informed by the circumstances in which the industry operates. The MBA Australia submission however implies the issue: **Should questions or issues about the utility of junior rates be left by the Inquiry to be examined and assessed against the circumstances of particular industries, rather than being subsumed within a general report of the kind required under section 120B?**

5.2 What Do Gaps in Junior Rate Coverage of Employment Show?

5.2.1 We do not pass over the substantive issue about the expansion of junior rate coverage in the building and construction industry raised in the submissions to which we have referred. In **Appendix 4 Part B and Part C**, we have extracted the most immediately relevant rates to contrast the entry level of apprentice, traineeship and junior rates. We could add substantially to that material from several sources. Instead, and without framing a specific issue, we intend that the discussion stage of this paper may allow those most interested in the building and construction industry an opportunity to develop their respective positions on any aspect of the issues that the Inquiry ought productively examine.

5.2.2 We made reference at paragraph 4.2.12 to submissions criticising the relative absence of junior employment in the railway transport industry and the Australian Public Service. For industry, on the calculations we have provisionally accepted, (see paragraph 4.2.8), some 30 per cent of employees under age 21 are engaged at adult rates. We doubt that that estimate indicates the scale of non-use of junior rates. Some juniors would be employed in enterprises for which no junior rate applies. We think the estimate may also include employees paid an adult rate at age 18, who are or who were, subject to junior rates at entry to

the same job, or have since been promoted. However the low level of employment of juniors in the industries we have mentioned, and perhaps in others that also have junior rates, may indicate that age discounted rates alone are not an incentive, or a sufficient incentive, for the recruitment of junior employees in those industries. Apart from the retail and hospitality industries, there appears to be little material available about the correlation between the presence of junior rates in an award or enterprise agreement and the use of the provision for the employment of juniors. The submissions suggest the likelihood of apparent gaps between the distribution of junior rates by industry and the distribution of junior employment. On that basis, there would appear to be an issue to the effect: **Does the absence of any junior employment in an industry, or in an establishment for which junior rates are in operation under an award or agreement, justify a conclusion that junior rates are of no utility for the occupation, or industry identified, or in furthering the school-to-work transition of young people in that industry or employment?**

5.3 Age and the Problems of Maturation and Training Deficits?

5.3.1 The outline we have given of some submissions in paragraphs 5.1.2 and 5.1.3 demonstrates another relatively broad area of consensus. It is that junior rates even in their current form are a means of addressing some of the maturation or training deficits of work entry level juniors as employees. The generality of those deficits and the length of time for which an adjustment of pay rates to compensate for them might be needed, are in issue. The related issue is whether competency or service based progression, rather than age based progression, is the best means to make a labour price offset until such deficits are effaced by work experience. The background to those positions merges with aspects of the substantial body of literature evidencing international practice to which we have referred generally earlier in this paper. That convergence leads us to pose the issue: **Why should the inferences not be drawn from the reported pattern of minimum wage regulation in OECD countries generally:**

- **that the use of reduced rates for entry level or lower skilled employees to avoid the minimum wage being a disincentive to employ that class of employee may be seen to be a function of the perceived generosity of the operative minimum wage; and**
- **that where a reduced rate is provided, age or age plus experience is accepted by international practice to be the most expedient for the purpose?**

5.3.2 What we have described as the maturation/training deficits of junior employees have been commented upon in many of the arbitrated cases that have dealt with junior rates. The work competencies and attributes around which such deficits were said to exist were developed most fully in submissions about the retail industry. A number of submissions, and

some particularly well articulated individual submissions in favour of equal remuneration for equal work, raised issues about the reality of some or all of the “*deficits*” for many employees subject to junior rates. None the less, several of the main submissions about the retail industry may be drawn upon to identify the maturation deficits or experience needs that relevant employers associate with junior employment. Those needs may be conceived either as grounds demonstrating a justification for age discrimination or as points about the utility of an age discounted rate. The needs might also be points around which experience and training should develop competencies. It may be those competencies that most need to be assessed in an alternative classification format¹²⁶. McDonald’s, in its submission, observed that the tasks to be performed in its stores can be mastered relatively quickly but the general workforce competencies take longer to develop. We have drawn upon McDonald’s and various other sources for the following list of the general “*work competencies*” expected:

- responsibility/reliability;
- possession of a strong work ethic;
- application/concentration;
- punctuality;
- commitment to work, or to the job;
- judgment;
- general life experience;
- attitude to authority;
- diligence.

5.3.3 As we have noted, there are some points of general agreement about a need for either traineeship or special entry level payment for lower grades of work competency. There are sharp differences between submissions about what competencies should be assessed, and about whether and how they can be assessed for particular work or industry demands. Thus, there appears not to be much disagreement about the utility of junior rates for junior employees who need time to develop work skills. The advocacy of the NTW model as the basis for a non-discriminatory alternative to junior rates is a recognition of that need. To further that analysis, a proposition and a related issue that arise for the Commission to consider is: **It would appear that some existing junior rates and training classifications place the same value on experience in the job, a year at school, or an extra year of age. Thus, for example, a classification based on school departure level, plus work experience, with progression thereafter by annual increments of experience in the job to a level equivalent to the entry level of an employee with one additional year at school, does that. So does a classification based solely on entry age and age progression. Can there properly be said to be significant differences in either the equity or the utility of those two classification models?**

5.3.4 The relationship between junior rates, apprenticeships and traineeships in particular industries or generally has been touched upon in a number of submissions¹²⁷. Thus, the National Children's and Youth Law Centre (NCYLC)¹²⁸ echoed a point made by the Restaurant and Catering Industry Association of NSW (R&CIA)¹²⁹. It suggested that any alternative to junior rates must be industry sensitive because "*some industries by their nature do not allow for developing scope, and a skills based structure could restrict wages to low levels*". The R&CIA placed greater emphasis on the unsuitability of variants on the NTW model for entry level work in "*a non-structured training environment*". On a parallel theme, aspects of the development of the NTW model for traineeships in Queensland were given considerable prominence in that State's submission¹³⁰. There may be a number of considerations and factors to be weighed in assessing the experience relied upon in that and cognate submissions¹³¹. We will address issues about aspects of that experience in relation to the development of possible non-discriminatory alternatives to junior rates. However, one aspect of the experience in particular attracts comment as a possible issue. Traineeships in Queensland have been developed by a number of measures including an "*all in hourly rate*". That concept is an evolution from rates prescribed by the NTW, but as stated in the submission made on behalf of the State of NSW:

"... The National Training Wage Award (NTW) was varied by the Commission in July 1997 to provide a part time traineeship clause. Introducing part time traineeship clauses into NSW awards was initially a slow exercise but is progressing. Industrial arrangements are being introduced on an award by award basis, with there being no agreement to introduce one award for all NSW trainees.

*There is confusion amongst industrial parties as to the wage rates applying for part time trainees under the NTW formula. It is recognised that this is an issue more properly dealt with by an application to the Commission to vary the NTW award. One report has proposed that an all in hourly wage rate, as operates in Queensland, be introduced by way of amendment to the NTW award. This is worth examination, including because, as that report noted, there are common industrial relations issues that extend across industry sectors such as level of pay and leave entitlements. ..."*¹³²

5.3.5 The National Training Wage Award is not directly, or perhaps even indirectly, within the scope of this Inquiry. However, the use of a particular form of hourly rate would appear to have sufficient value to commend it in the development of part-time traineeships. There may be something to be gained from considering whether a variant of it might be of use as a component of junior rates, or perhaps even as an alternative to some of them. As we understand the notion, the "*all in hourly rate*" in Queensland applies to school based apprenticeships and traineeships. It allows for an hourly wage derived from the relevant NTW or apprenticeship award plus a loading of 19 per cent to compensate for other employment conditions such as sick and annual leave. A potential issue that may merit further discussion is: **Is there a need or worthwhile scope for developing a simplified**

junior rate or non-discriminatory alternative hourly rate for entry level work or specified school leaving ages along similar lines to the “*all in hourly wage rate*” used for school based apprenticeships and traineeships in the State of Queensland?

5.4 Deferred Issues Specific to School to Work Transition, or Particular Industries:

5.4.1 The submissions to us generally did not isolate the function of junior rates in aiding the school to work transition. Concern to promote the effectiveness of that transition was at the heart of the most vigorous defences of the junior rates provisions in the forms applied in the retail and pharmacy industries in particular. The Australian Council of Social Services (ACOSS) in its submission stressed the function played by junior rates in aiding that transition. It added that any alternative must be capable of serving a similar purpose especially for lower skill work, or work in which training is either minimal or non-structured.

5.4.2 A number of the issues which are to be developed for other assessments on our agenda are also relevant to the effectiveness of junior rates in optimising school to work transition. It is not necessary for the purposes of this paper to discuss those issues again under this topic. We note however claims about the relative success of the State of Queensland in the introduction of New Apprenticeships. That success has been attributed to the quality of the local level assistance for the development of training proposals. It is also attributed to initiatives at State Government level to provide a comprehensive industrial relations infrastructure for New Apprenticeships, easily accessible to stakeholders. Local level assistance or promotion and the availability of a comprehensive industrial relations infra-structure, may justifiably be said to be important to the function of junior rates, or any proposed alternative, in aiding the school to work transition. We do not canvass an issue about those considerations, although we note that they were raised at least implicitly in the submissions put by the Pharmacy Guild in a way that could be taken to be representative of many local level small businesses. We leave open the possibility that the discussion stages of this paper may afford an opportunity for aspects of that question to be developed.

5.4.3 In the course of this paper, several issues concerning industries have been formulated either in terms specific to the industry or in general terms. We are conscious that, for more reasons than one, some important issues including some specific to a particular industry have not been extracted for this paper. We note that a number of issues have been framed in a way intended to encourage at least the possibility of industry specific discussion. None the less, we will reserve the possibility of adding additional issues to those we have identified if we consider it appropriate to do so on closer examination of any topic to be assessed.

6. SUMMARY OF EXTRACTED ISSUES:

The issues identified in this paper are set out in the text (**in bold**). This summary is a consolidated list of the issues, with the paragraph of the text in which the issue is set out:

1. Having regard to the Commission's overall functions and independence, should the terms of reference be applied in a way that causes the Full Bench to refrain from "*foreclosing*" on non-discriminatory alternatives? Instead, should the Inquiry provide the Minister with:
 - our discussion of the feasibility of replacing junior rates;
 - an identification of factors relevant to the desirability of any such removal of junior rates; and
 - an exposure of the available evidence about the consequences for youth employment of abolishing junior rates and the utility of junior rates? [1.4.1.1]
2. Should the terms of reference be read as subject to section 88B of the Act; if so, what if any impact should that provision have? [1.4.1.2]
3. Should the references to "*junior rates*" in section 120B be taken to apply to:
 - junior rates in certified agreements; or
 - the rates of pay of apprentices, who are not "*adult apprentices*"; or
 - similar rates provided for by awards or agreements for a class of employees impliedly or indirectly defined by reference to age? [1.4.1.3]
4. Is any issue of substance pressed about the Inquiry's procedure adopted or foreshadowed? [1.4.1.4]
5. Do a relatively weak set of policy considerations dictate the prohibition on age based discrimination against young employees? Is there any agreed identification of the policy objectives to be served by the prohibition of provisions that discriminate in employment on grounds of age? [1.6.5.1]
6. Can it be concluded that the priority objective for non-discrimination is not so much the elimination of age discrimination related to juniors? Rather, is it to avoid, or at least reduce, unjustifiable failure to ensure equal remuneration for work of equal value? [1.6.5.2]

7. Is the nature and substance of the mischief or deficiencies sought to be remedied by the prohibition of age discrimination in employment in relation to junior rates comprehended by the following points of criticism:

- equity and work value in relation to “*a rate for the job*” are denied because pay rate progression is based only on age;
- equal pay for work of equal value has been the antithesis of discrimination against females, but is not applied to juniors;
- it is inherently unfair for the rights and duties of the status of adulthood to vest at age 18 for all purposes other than remuneration for work;
- the susceptibility of young workers to systemic and situational exploitation is magnified by the use of age to determine pay status;
- the needs and cost of living of juniors are no different from adults but the discounted wage payments in junior rates preclude the real costs of living being met from wages;
- the age related progression in junior rates amounts to an incentive for the employer to dismiss a junior or reduce hours of work upon the attainment of the adult rates, or higher level junior rates;
- discounted rates for juniors place age-21 adults and others at a competitive disadvantage in the labour market;
- junior rates discounted by age from adult rates diminish the worth and self-perception of young people as individuals by implying that their labour is less valuable;
- the scheme of discounting adult rates for the job by age based progression in junior rates operates as a form of business welfare subsidy to employers who use junior rates. The subsidy comes from those employers who do not use junior rates but invest in training; from families who maintain dependent young people; and from the community through income transfers to junior employees in poverty;
- aged based discounts from the rate for the job are not valid proxies for the cost to the employer of training junior employees, at least where no structured training is provided. [1.6.6.1]

8. Can it be established that in particular instances, if not in general, the same work is being done, with the same results, by a junior as by an adult worker? If so, by what means? If that proposition can be established in particular instances, or in general, why is it justifiable to not pay them the same rate for the job? [2.5.4]

9. How far should the Inquiry frame any assessment of junior rates around the *status quo* reflected in current junior rates provisions and related provisions? In other words, should the feasibility of replacing junior rates be assessed without any allowance made for changes to the content and conditions of the age based progressions in the junior rates currently found in awards and agreements, or to provisions that influence the pattern of use or payment of junior labour? In particular, should any consideration be given to the possibility that the potential inequity of a pay rate progression based on age alone could be moderated by the inclusion of experience and competency grounds. [2.5.6]
10. Is discrimination within an award created when different base rates are struck for the apprentice who is by age a junior, and, on the other hand, for the adult apprentice who first takes up preparation for a trade? [2.6.1]
11. Is it proper to draw an inference about industrial parties' capacities to develop by negotiation any significant non-discriminatory alternative to the use of age progression to differentiate pay levels for juniors? [2.6.4]
12. Whether, and how, a greater consistency of rationale and principle ought be achieved in junior rates provisions throughout awards generally? [2.8.1]
13. Are there significant options for non-discriminatory alternatives other than replacement of junior rates by adult rates; replacement by skill or competency based classification of work or of particular employees; or replacement by experience related criteria? Is any one or other of those alternatives capable of being developed sufficiently to be a feasible substitute for existing junior rates? [3.4.7]
14. Are those objections corroborated or countered by experience of the NTW system or its antecedents? Does experience or demonstration corroborate the submission made by the Labor Council of NSW to the effect that developed key competencies may be equated with the work responsibility, skills and maturity for which age has been used traditionally as a proxy? [3.4.8]
15. Can the convertibility of work performed in junior rate classifications to competency based progression only be assessed by a virtual audit of progress toward competency based classifications in particular industries? Is the Master Builders' Association of Western Australia correct in its contention that the task of implementing competency based progression in classification practices would be enormous, and that: "*even where*

there has been substantial goodwill, the difficulty of the task has been underestimated”?
[3.4.9]

16. In light of the second issue stated in paragraph 3.4.7, should the debate about replacing junior rates with non-discriminatory alternatives continue without any clear articulation of those alternatives for particular awards and industries? Would it not be more productive for all concerned, and less destructive for some, if concrete propositions were articulated as the basis for the assessments to be made by the Inquiry? [3.4.14]
17. Acceptance that a characteristic of junior employment is that 56 per cent of employees under age 21 are paid junior rates may mask several definitional issues. The mere identification of wages as paid under junior rate classifications may leave open questions about:
 - the age at which equal remuneration with an adult classification rate may be achieved within particular junior rate classifications;
 - the possible operation of State award or certified agreement junior rates provisions;
 - the admixture in junior employment of apprentices, unapprenticed juniors and trainees; or
 - the effect of over-award arrangements.

Questions of that kind appear to be open least in the retail, construction, rail transport and Australian Public Service industries or sectors. Relatively detailed analyses of the coverage of junior rates in those areas have been supplied in submissions. Is any issue of substance about the estimated coverage of junior rates provisions pressed? If it is, it would be most expedient for any such issue to be developed in a way that links it to a particular industry, award, or industrial context. Does the establishment of accurate figures for the relative incidence of award or agreement junior rates as the actual rate of pay have an impact on the cost of abolishing junior rates; or an impact upon the degree to which age related progression in junior rate classifications denies equal remuneration for work of equal value? [4.2.8]

18. Should the Inquiry do other than accept that there is no substantive basis on which the analysis about youth employment set out in Chapter 3 of the Joint Governments' Submission, and the conclusion in paragraph 3.7 of that submission be quoted in paragraph 4.2.13 of this Paper, should be disputed? [4.2.13]

19. Should it be assumed that adult rate replacement of junior rates will translate to a rate for all jobs currently covered by junior rate paid at 100 per cent of that single comparator classification rate? Should it be assumed that the replacement provisions will classify young workers at 100 per cent of the appropriate classification rate applying hitherto to adult workers performing the same or similar job? [4.3.3]
20. Is it open to the Inquiry to do other than adopt the view that an effective removal and non-replacement of the existing discounts for age against adult wages will involve relative adjustments of a dimension that will result in significant dis-employing effects for the class of employees now in receipt of junior rates, or the class that will be likely to be in receipt of the substituted pay rates? If not, is the principal issue in any assessment of the effect of removal of junior rates substantively an issue as to the wage cost effect brought about by the change? [4.4.9]
21. The SDAEA and ARA submissions may be read as joining issue over whether junior rates provisions in awards generally should allow 100 per cent of the comparator adult rate for Retail Worker Grade 1 to be paid to employees aged 18, 19 and 20 “*who can and do perform the inherent requirements of a job with an output equal to the norm for adults*”. Retail Worker Grade 1 juniors are currently paid about 67.5 per cent, 80 per cent and 90 per cent of the comparator rate respectively. Of a broadly similar increase to the junior rates paid under the New South Wales Shop Employees (State) Award, the ARA asserts that resultant wage increases in the rates for employees of those ages would be 43 per cent, 25 per cent and 11 per cent respectively. [4.4.10]
22. In what circumstances, if at all, could the abolition of junior rates properly be characterised as having the possible effect of a moderate increase? Could the effect of abolishing junior wage rates properly be treated as likely to be productive of similar economy-wide effects on employment generally as a moderate minimum wage increase? [4.4.12]
23. Does movement to eliminate age discrimination by the payment of adult rates to youth not undergoing apprenticeships require concurrent measures to assess and, if necessary, redress the possible impact of such changes on the numbers seeking to take up apprenticeships? [4.4.13]
24. Assuming the existence of competitive rates between “*adults*” and teenagers for work or training opportunities of an equivalent class, (brought about either by lowering the rate for the less experienced of the former, or by increasing the discounted rate for age

applicable to the latter), is there a compelling body of experience and practice to demonstrate that employers will prefer the use of more mature workers? [4.4.14]

25. Should questions or issues about the utility of junior rates be left by the Inquiry to be examined and assessed against the circumstances of particular industries, rather than being subsumed within a general report of the kind required under section 120B? [5.1.3]
26. Does the absence of any junior employment in an industry, or in an establishment for which junior rates are in operation under an award or agreement, justify a conclusion that junior rates are of no utility for the occupation, or industry identified, or in furthering the school-to-work transition of young people in that industry or employment? [5.2.2]
27. Why should the inferences not be drawn from the reported pattern of minimum wage regulation in OECD countries generally:
 - that the use of reduced rates for entry level or lower skilled employees to avoid the minimum wage being a disincentive to employ that class of employee may be seen to be a function of the perceived generosity of the operative minimum wage; and
 - that where a reduced rate is provided, age or age plus experience is accepted by international practice to be the most expedient for the purpose? [5.3.1]
28. It would appear that some existing junior rates and training classifications place the same value on experience in the job, a year at school, or an extra year of age. Thus, for example, a classification based on school departure level, plus work experience, with progression thereafter by annual increments of experience in the job to a level equivalent to the entry level of an employee with one additional year at school, does that. So does a classification based solely on entry age and age progression. Can there properly be said to be significant differences in either the equity or the utility of those two classification models? [5.3.3]
29. Is there a need or worthwhile scope for developing a simplified junior rate or non-discriminatory alternative hourly rate for entry level work or specified school leaving ages along similar lines to the “*all in hourly wage rate*” used for school based apprenticeships and traineeships in the State of Queensland? [5.3.5]

7. LIST OF SUBMISSIONS:

Submission Number	Name
1	Mr G Thorpe
2	Ms C Gibson
3	Mr J Pearce
4	Mr R A Jones
5	Mr D Stanfield
6	Timber Trade Industrial Association
7	Mr G Taylor
8	C B Constructions Pty Ltd
9	Mr R Hammond
10	The NSW Pharmacy Guild
11	National Farmers' Federation
12	Australian Rail, Tram and Bus Industry Union (ARTBIU)
13	Motor Traders' Association of NSW
14	Industrial Relations and Legal Affairs Committee – NSW Young Labor
15	Restaurant & Catering Industry Association of NSW (R&CIA) withdrawn and replaced by Submission 47.
16	National Children's & Youth Law Centre (NYYLC)
17	The Pharmacy Guild of Australia
18	CPSU, the Community and Public Sector Union State Public Services Federation Group
19	Housing Industry Association (HIA)
20	Australian Council of Trade Unions Queensland Branch
21	McDonald's Australia Ltd
22	Master Builders' Association of Western Australian (MBAWA)
23	Australian Retailers Association (ARA)
24	Ms Julia Murray
25	Youth Affairs Network Queensland
26	Motor Traders' Association
27	Coles Myer Ltd
28	Woolworths Ltd CONFIDENTIAL
29	Job Watch Inc.
31	Home Australia P/L
32	Australian Youth Policy & Action Coalition Inc (AYPAC)

33 Queensland Government
34 Anti Discrimination Board of NSW
36 Labor Council of NSW
37 Construction, Forestry, Mining and Energy Union (CFMEU)
38 Joint Governments: The Commonwealth, The State of South
Australia, The State of Victoria, The State of Western Australia,
The Australian Capital Territory and The Northern Territory
39 Master Plumbers and Mechanical Services Assoc. of Australian
40 CPSU, the Community and Public Sector Union
41 Transport Workers' Union of Australian
42 Youth Affairs Council of South Australia (YACSA)
43 Victorian Employees' Chamber of Commerce and Industry
44 Australian Manufacturing Workers' Union Vehicle Division
45 Victorian Trades Hall Council
46 Australian Democrats
47 Restaurant and Catering Industry Association of Australia
48 Australian Manufacturing Workers' Union
49 Australian Chamber of Commerce and Industry (ACCI)
50 Australian Liquor, Hospitality and Misc. Workers Union
51 Australian Council of Trade Unions (ACTU)
52 NSW Department of Industrial Relations
53 Australian Young Christian Workers
54 Shop, Distributive & Allied Employees' Association (SDAEA)
55 Victorian Automobile Chamber of Commerce
56 National Union of Students
57 Australian Services Union
58 Youth Advisory Council New South Wales
59 Australian Industry Group (AIG)
60 The Master Grocers' Association of Victoria Inc.
61 Australian Catholic Commission for Industrial Relations
62 Minister for Industry, Science and Technology
Victorian Government
63 Ovens Mitre 10
64 Weight's Mitre 10
65 Schaap's Hardware P/L
66 Daveys Mitre 10
67 MANN Wodonga

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9. ABBREVIATIONS AND GLOSSARY:

In this Issues Paper the following abbreviations are used:

ACCI:	Australian Chamber of Commerce and Industry
ACOSS:	Australian Council of Social Services
Act:	Workplace Relations Act 1996
ACTU:	Australian Council of Trade Unions
AIRC:	Australian Industrial Relations Commission
ARA:	Australian Retailers Association
ARTBIU:	Australian Rail, Tram and Bus Industry Union
AYPAC:	Australian Youth Policy and Action Coalition
CBAOA Case:	Commonwealth Bank of Australia Officers Association Case P7400
CFMEU:	Construction, Forestry, Mining and Energy Union
Commission:	Australian Industrial Relations Commission
CPSU:	Community and Public Service Union
Full Bench:	Full Bench of the Australian Industrial Relations Commission
Hospitality Award:	Hospitality Industry - Accommodation, Hotels, Resort and Gaming Award, 1998
HRSCEET:	House of Representatives Standing Committee on Employment, Education and Training, September 1997
ILO:	International Labour Organisation
Inquiry:	Junior Rates Inquiry conducted by the Full Bench established by the President of the Commission
JGS:	Joint Government Submission
Junior rates:	Junior rates of pay
MBA Australia:	The Master Builders Association of Australia
MBAWA:	Master Builders' Association of Western Australia

McDonald's:	McDonald's Australia Limited
MEAA:	Media Entertainment and Arts Alliance
Metals Award:	Metal Engineering & Associated Industries Award, 1998
Minister:	Minister for Employment, Workplace Relations and Small Business
MW:	Minimum Wages
NCYLC:	National Children's and Youth Law Centre
NMW:	National Minimum Wage
NTW:	National Training Wage
OECD:	Organisation for Economic Cooperation and Development
R&CIA:	Restaurant and Catering Industry Association of NSW
RIA Branch:	Research, Information and Advice Branch Australian Industrial Registry
SDAEA:	Shop, Distributive and Allied Employees Association
SNR decision:	Safety Net Review - Wages Decision
UKLPC:	United Kingdom Low Pay Commission
WROLA Act:	Workplace Relations and Other Legislation Amendment Act 1996

10. APPENDICES:

APPENDIX 1: Index of selected awards by provision of junior, apprenticeship, and trainee rates.

APPENDIX 2: List of awards examined that do not contain a junior rate clause.

APPENDIX 3: Awards with “*junior rate*” provision not included in adult age summary statistics.

APPENDIX 4: Junior Rates:

PART A: Weekly award wages in selected awards for 38 hour week after April 1998 Safety net adjustment.

PART B: Comparison between junior rates and apprenticeship rates: selected awards.

PART C: Comparison between junior rates, apprenticeship, and traineeship rates: selected awards.

APPENDIX 1

Index of selected award junior rates :Apprenticeship/Trainee comparator

Current at 19/10/2004

Award Code	Award Name	Industry	Junior Rates		App' ships	Trainee
			Y/N	If Yes then Principal Clause Number for Junior rates	Y/N	Y/N
A0003	ACTORS ETC. (TELEVISION) AWARD 1998	Entertainment and Broadcasting Industry	Y	10.2, 10.3	No	No
A0272	AUSTRALIAN PUBLIC SERVICE SENIOR EXECUTIVE ADMINISTRATIVE AND CLERICAL AWARD 1984	Commonwealth Employment	N		No	No
A0497	AUSTRALIAN DEFENCE INDUSTRIES (PAID RATES EMPLOYEES) AWARD 1989	Defence Support	Y	8.1.1	9	40
A0510	AUSTRALIAN SUBMARINE CORPORATION PTY LTD PRODUCTION AWARD 1989	Shipbuilding Industry	N		13.6	No
A1132	AUSTRALIAN SUBMARINE CORPORATION PTY. LIMITED (TECHNICAL AND SUPERVISORY EMPLOYEES) AWARD 1994	Shipbuilding Industry	N		No	No
A1693	AUSCHAR OPERATIONS PTY LTD - FLUIDISED BED COAL DRYING PLANT INDUSTRIAL AWARD 1998	Chemical Industry	N		No	No
A1818	AUSTRALIAN SUBMARINE CORPORATION, PROFESSIONAL ENGINEERS & SCIENTISTS AWARD 1996	Shipbuilding Industry	N		No	No
A2865	AEROSPACE INDUSTRY (HAWKER DE HAVILLAND) AWARD 1998	Aerospace Industry	N		4.2.6	4.2.7
B0001	BANK OFFICIALS' (FEDERAL) (1963) AWARD	Banking Industry	Y	6	No	28
B0008	BRASS, COPPER AND NON-FERROUS METALS INDUSTRY AWARD 1998	Brass, Copper and Non-Ferrous Metals Industry	Y	5.5	4.2.6	4.2.7
B0018	BUSINESS EQUIPMENT INDUSTRY (TECHNICAL SERVICE) AWARD, 1978	Business Equipment Industry	Y	6	No	5A
B0149	BHP STEEL PRODUCTS - WESTERN PORT TRADESPERSONS AWARD 1998	Metal Industry	N		No	No
B0151	BHP STEEL PRODUCTS SERVICE CENTRE AWARD, 1998	Metal Industry	N		No	No

Award Code	Award Name	Industry	Junior Rates		App' ships	Trainee
			Y/N	If Yes then Principal Clause Number for Junior rates	Y/N	Y/N
B0152	BHP STEEL PRODUCTS DIVISION WESTERN PORT AWARD 1998	Metal Industry	N		No	No
B0165	BULK LOADING - HAY POINT SERVICES PTY LTD AWARD 1998	Port and Harbour Services	N		No	No
B0166	BULK HANDLING AND GENERAL SERVICES PTY LTD BULK HANDLING AWARD 1998.	Port and Harbour Services	N		No	No
B0168	BHP STEEL PRODUCTS BUILDING FRAMES AWARD 1998	Metal Industry	N		No	No
B0169	BULK TERMINAL SERVICES BULK HANDLING AWARD 1998	Port and Harbour Services	N		No	No
B0171	THE BUILDING AND CONSTRUCTION INDUSTRY (ACT) AWARD, 1991	Building, metal and civil construction industries	N		10	No
B0363	BI-LO PTY. LTD. RETAIL AWARD 1994	Wholesale and retail trade	Y	7 (d)	No	37
B0500	BHP STEEL PRODUCTS - TECHNICAL EMPLOYEES (WESTERN PORT) AWARD 1998	Metal Industry	N		No	No
B0598	BEKAERT - BHP STEEL CORD AWARD, 1998	Metal Industry	N		No	No
B0694	BBC HARDWARE LIMITED RETAIL AGREEMENT 1995	Wholesale and retail industry	Y	7.3	No	NT WA 43
B0878	BHP REINFORCING AWARD 1998	Metal Industry	Y	14.3	14.4	No
C0019	CLERICAL AND SALARIED STAFFS (WOOL, RURAL AND ASSOCIATED INDUSTRIES) AWARD 1993	Wool Industry	Y	8 (k)	No	No
C0037	CLOTHING TRADES AWARD 1982	Clothing Industry	Y	6 (b) (i)	8	7A
C0091	CLERKS (FINANCE COMPANIES) CONSOLIDATED AWARD 1985	Finance and Investment Services	Y	7	No	No
C0131	COMMERCIAL TRAVELLERS (A.C.T.) CONSOLIDATED AWARD, 1994	Wholesale and retail trade	N		No	No
C0173	CHILD CARE INDUSTRY (AUSTRALIAN CAPITAL TERRITORY) AWARD, 1998	Health and Welfare Services	Y	Schedule A (c)	No	No
C0191	COMMUNITY SERVICES (HOME CARE SERVICE OF NEW SOUTH WALES) FIELD STAFF AWARD 1992	Health and Welfare Services	N		No	No

Award Code	Award Name	Industry	Junior Rates		App' ships	Trainee
			Y/N	If Yes then Principal Clause Number for Junior rates	Y/N	Y/N
C0257	COLES MYER LTD (NEW WORLD SUPERMARKET, COLES FOSSEY AND K-MART) (TASMANIA) AWARD 1988	Wholesale and retail industry	N		No	No
C0370	COLES SUPERMARKETS AUSTRALIA PTY. LTD. RETAIL AWARD 1993	Wholesale and retail trade	Y	7.3	No	NTWA 37
C0716	COMMERCIAL SALES (VICTORIA) AWARD 1996	Wholesale and retail trade	Y	21.3	No	No
C0777	CATERING - VICTORIA AWARD 1998	Catering Industry	Y	12.5.1	12.4	No
C1487	CLEANING SERVICES - SPOTLESS SERVICES AUSTRALIA/ALHMWU - OUTDOOR FACILITIES - CONSENT AWARD 1998	Cleaning Services	N		19.5	No
C1758	CLEANING (BUILDING AND PROPERTY SERVICES) (ACT) AWARD 1998	Cleaning Services	N		No	No
C1943	CAPRAL ALUMINIUM LIMITED AWARD 1998	Aluminium industry	Y	18.1.1	13	No
C2236	COLLINS FINANCE AND MANAGEMENT (SIZZLER RESTAURANT)EMPLOYEES AWARD 1998	Liquor and accommodation industry	Y	10.5	No	No
C3256	CATERING INDUSTRY - NATIONWIDE FACILITIES MANAGEMENT - GOULBURN POLICE ACADEMY - CONSENT AWARD 1998	Catering Industry	N		17.9	No
C3258	CHEMICAL INDUSTRY (HUNSTMAN/MONSANTO/A WU) AWARD 1998	Chemical Industry	N		No	No
C3262	CHEMICAL INDUSTRY - SCIENTIFIC AND TECHNICAL OFFICERS AWARD, 1998	Chemical Industry	Y	5.3	No	4.2.6
C3607	COMMONWEALTH AUTHORITIES AND AUSTRALIAN CAPITAL TERRITORY PUBLIC SECTOR EMPLOYMENT - GENERAL CONDITIONS OF SERVICE AWARD 1998	Commonwealth Employment	N		No	No
D0018	DREDGING INDUSTRY (AWU) AWARD 1998	Maritime Industry	N		No	No
D0102	DRAUGHTING, PRODUCTION PLANNERS AND TECHNICAL WORKERS AWARD 1998	Metal Industry	Y	5.4	No	4.2.6
D0498	DENTAL (PRIVATE SECTOR VICTORIA) AWARD 1998	Health and Welfare Services	Y	17.2	No	No

Award Code	Award Name	Industry	Junior Rates		App' ships	Trainee
			Y/N	If Yes then Principal Clause Number for Junior rates	Y/N	Y/N
E0010	ENGINE DRIVERS AND FIREMEN - GENERAL - AWARD 1998	Engine Drivers and Firemen	Y	15.4.1	No	No
E0327	ENTERTAINMENT AND BROADCASTING INDUSTRY - LIVE THEATRE AND CONCERT - AWARD 1998	Entertainment and Broadcasting Industry	N		No	3.8
E0468	ENTERTAINMENT AND BROADCASTING INDUSTRY - DANCE COMPANY - AWARD 1998	Entertainment and Broadcasting Industry	Y	3.10	No	No
E0471	ENTERTAINMENT AND BROADCASTING INDUSTRY - ACTORS - (THEATRICAL) AWARD 1998	Entertainment and Broadcasting Industry	Y	16.11	No	No
E0480	ENTERTAINMENT AND BROADCASTING INDUSTRY - CINEMA AWARD - 1998	Entertainment and Broadcasting Industry	Y	16.2	No	No
E0688	ENTERTAINMENT AND BROADCASTING INDUSTRY - THEATRE MANAGERS - CINEMA - AWARD 1998	Entertainment and Broadcasting Industry	N		No	No
E0689	ENTERTAINMENT AND BROADCASTING INDUSTRY - THEATRE MANAGERS - LIVE THEATRE - AWARD 1998	Entertainment and Broadcasting Industry	N		No	No
E0691	ENTERTAINMENT AND BROADCASTING INDUSTRY - MOTION PICTURE PRODUCTION AWARD 1998	Entertainment and Broadcasting Industry	N		No	No
F0002	FEDERAL MEAT INDUSTRY AWARD 1981	Meat Industry	Y	1:12 (e) (ii)	12	10E
F0015	FOOD PRESERVERS' INTERIM AWARD 1986	Food	Y	5	No	No
F0029	FURNISHING TRADES - GENERAL - VICTORIA, SOUTH AUSTRALIA AND TASMANIA AWARD 1998	Furnishing Industry	Y	22.2.1(a)(i)	16.5	22.3
F0063	THE FOOTWEAR - MANUFACTURING AND COMPONENT - INDUSTRIES AWARD, 1979	Clothing Industry	Y	14 (c) (i)	11	8B
F0252	FRANKLINS BIG FRESH SDA VICTORIA CONSENT AWARD 1994	Wholesale and retail trade	Y	Schedule 1	41	40
F0327	FURNITURE & FURNISHING TRADES (NEW SOUTH WALES) AWARD 1998	Furnishing Industry	Y	20.1	16.5	16.5
F0402	FOOD AND BEVERAGE INDUSTRY - SILVIO'S DIAL-A-PIZZA AND DOMINO'S PIZZA CONSENT AWARD 1995	Wholesale and retail trade	Y	4.3.2	No	No

Award Code	Award Name	Industry	Junior Rates		App' ships	Trainee
			Y/N	If Yes then Principal Clause Number for Junior rates	Y/N	Y/N
F0403	FOOD AND BEVERAGE INDUSTRY - SILVIO'S DIAL-A-PIZZA AND DOMINO'S PIZZA (TASMANIA) INTERIM AWARD 1996	Wholesale and retail trade	Y	4.3.2	No	No
F0578	FOOD, BEVERAGES AND TOBACCO INDUSTRY - AERATED WATERS - GENERAL AWARD 1998	Wholesale and retail trade	Y	19.8	No	5.19.3
F0707	FORD MOTOR COMPANY (VEHICLE INDUSTRY) - CONSOLIDATED AWARD 1998	Vehicle Industry	N			
G0003	GLASS INDUSTRY - GLASS MERCHANTS AND GLAZING CONTRACTORS - TASMANIA - AWARD 1996	Glass Industry	Y	35.2.2	27.5	34.3.1
G0005	GLASS INDUSTRY - GLASS MERCHANTS AND GLAZING CONTRACTORS, GENERAL, SOUTH AUSTRALIA AWARD 1998	Glass Industry	Y	22.2.3	16.5	21.3
G0014	GRAPHIC ARTS AWARD, 1977	Graphic Arts	Y	TABLE B4	42B	42C
G0029	THE GLASS WORKERS' CONSOLIDATED AWARD 1985	Glass Industry	Y	5	No	cl 39 Div 1
G0034	GLASS INDUSTRY - GLASS MERCHANTS AND GLAZING CONTRACTORS - VICTORIA - CONSOLIDATED AWARD 1996	Glass Industry	Y	35.2.2	27.5	34.3.1
G0072	GENERAL MOTORS HOLDEN'S AUTOMOTIVE LIMITED (PART 1) GENERAL AWARD 1988	Vehicle Industry	N		No	No
G0073	GENERAL MOTORS HOLDEN'S AUTOMOTIVE LIMITED (PART 2 - DRAUGHTING, PRODUCTION PLANNING AND TECHNICAL GRADES) GENERAL AWARD 1988	Vehicle Industry	N		No	No
G0074	GENERAL MOTORS HOLDEN'S AUTOMOTIVE LIMITED (PART 3 - SUPERVISORS) GENERAL AWARD 1988	Vehicle Industry	N		No	No
G0075	GENERAL MOTORS HOLDEN'S AUTOMOTIVE LIMITED (PART 4 - CLERKS) GENERAL AWARD 1988	Vehicle Industry	Y	7 (d)	No	No

Award Code	Award Name	Industry	Junior Rates		App' ships	Trainee
			Y/N	If Yes then Principal Clause Number for Junior rates	Y/N	Y/N
G0076	GENERAL MOTORS HOLDEN'S AUTOMOTIVE LIMITED (PART 5 - PROFESSIONAL ENGINEERS AND PROFESSIONAL SCIENTISTS) GENERAL AWARD 1988	Vehicle Industry	N		No	No
G0118	GLADSTONE SHIP BUNKERING OPERATION AWARD, 1992	Maritime Industry	N		No	No
G0146	GLASS INDUSTRY AWARD (QLD) 1998	Glass Industry	Y	13.2	8.4	No
G0439	GRAPHICS ARTS - GENERAL - INTERIM AWARD 1995	Graphic arts	Y		No	5.3.2
G0542	GLASS INDUSTRY - BOTTLE MERCHANTS - GENERAL AWARD 1996	Glass Industry	Y	33.3.1	No	No
H0008	HOSPITALITY INDUSTRY - ACCOMODATION, HOTELS, RESORTS AND GAMING AWARD 1998	Liquor and Accommodation Industry	Y	15.5.1	15.4	No
H0049	HOLDEN'S ENGINE COMPANY (PART 1) AWARD 1993	Vehicle Industry	N		No	No
H0050	HOLDEN'S ENGINE COMPANY (PART 2) AWARD 1993	Vehicle Industry	Y	10	No	10
H0051	HOLDEN'S ENGINE COMPANY (PART 3) AWARD 1993	Vehicle Industry	N		No	No
H0052	HOLDEN'S ENGINE COMPANY (PART 4) AWARD 1993	Vehicle Industry	Y	4 (d)	No	No
H0053	HOLDEN'S ENGINE COMPANY (PART 5) AWARD 1993	Vehicle Industry	N		No	No
H0184	HARRIS SCARFE LIMITED EMPLOYEES AWARD, 1994	Wholesale and retail industry	Y	Schedule A	No	Sched C
H0488	HEALTH AND ALLIED SERVICES - PRIVATE SECTOR - VICTORIA CONSOLIDATED AWARD 1998	Health and Welfare Services	Y	19.5.1	19.5	No
H0564	HEALTH AND ALLIED SERVICES - PUBLIC SECTOR - VICTORIA CONSOLIDATED AWARD 1998	Health and Welfare Services	Y	17.4.1	No	App B
I0002	INSURANCE INDUSTRY AWARD 1998	Insurance Industry	Y	14.5	No	No
I0152	INDEPENDENT EDUCATION (VICTORIA) INTERIM AWARD 1994	Educational Services	Y	Appendix 1: Pt 2 :3	No	No

Award Code	Award Name	Industry	Junior Rates		App' ships	Trainee
			Y/N	If Yes then Principal Clause Number for Junior rates	Y/N	Y/N
J0069	JOURNALISTS (TELEVISION) AWARD 1998	Entertainment and Broadcasting Industry	Y	14.7	No	No
K0068	KMART AUSTRALIA LTD AWARD 1994	Wholesale and retail trade	Y	7.2	No	NTWA 35
K0095	KFC NATIONAL ENTERPRISE AWARD 1995	Wholesale and retail trade	N		No	NTWA 39
L0012	LIQUOR INDUSTRIES - RACECOURSES SHOWGROUNDS ETC. - CASUALS AWARD 1998	Liquor and Accommodation Industry	Y	13.9	No	No
L0021	LIQUOR AND ALLIED INDUSTRIES, HOTELS, HOSTELS, CLUBS AND BOARDING ESTABLISHMENTS ETC. (A.C.T.) AWARD, 1992	Liquor and Accommodation Industry	Y	2:7(e)	9	14
L0138	LAND SURVEYORS GENERAL - AWARD 1998	Metal Industry	Y	5.2.4	No	5.1.1
L0289	LIQUOR AND ACCOMMODATION INDUSTRY - RESTAURANTS - VICTORIA - AWARD 1998	Liquor and Accommodation Industry	Y	17.12.1	17.11	No
L0442	LIQUOR AND ACCOMMODATION INDUSTRY - CIDER MANUFACTURING AND BOTTLING - BULMER AUSTRALIA LIMITED - AWARD 1998	Liquor and Accommodation Industry	Y	13.3.1	No	No
M0042	METAL, ENGINEERING AND ASSOCIATED INDUSTRIES (PROFESSIONAL ENGINEERS AND SCIENTISTS) AWARD 1998	Metal Industry	N		No	No
M0055	MOTELS, ACCOMMODATION AND RESORTS AWARD 1998	Liquor and Accommodation Industry	Y	13.5.1	13.4	No
M0141	MARITIME INDUSTRY DREDGING AWARD 1988	Maritime Industry	N		No	No
M0142	MOBILE CRANE HIRING AWARD 1996	Building, metal and civil construction industries	N		No	14.1.4
M0197	MARINE ENGINEERS (NON PROPELLED) DREDGE AWARD 1988	Maritime Industry	N		No	No
M0200	MITSUBISHI MOTORS AUSTRALIA LIMITED (VEHICLE INDUSTRY) AWARD 1980	Vehicle industry	Y	10	11	No

Award Code	Award Name	Industry	Junior Rates		App'ships	Trainee
			Y/N	If Yes then Principal Clause Number for Junior rates	Y/N	Y/N
M0205	MITSUBISHI MOTORS AUSTRALIA LIMITED (CLERKS) AWARD 1980	Vehicle Industry	Y	8(c)	No	No
M0295	MITSUBISHI MOTORS AUSTRALIA LTD (SUPERVISORY AND TECHNICAL EMPLOYEES) AWARD 1987	Vehicle Industry	Y	9	No	9
M0321	MUSICIANS (OPERA AND BALLET) ORCHESTRAL AWARD 1998	Entertainment and Broadcasting Industry	N		No	No
M0327	MEAT PRESERVATIONS ETC. AWARD 1990	Meat Industry	Y	5(c)	No	No
M0424	MITSUBISHI MOTORS AUSTRALIA LIMITED (P AND A WAREHOUSE, NEW SOUTH WALES) AWARD 1993	Vehicle Industry	Y	13.2.2	No	No
M0602	MOBIL OIL CLERICAL EMPLOYEES AWARD 1994	Oil and Gas Industry	Y	12(1)	No	No
M0613	MYER/GRACE BROS STORES AWARD 1994	Wholesale and Retail Trade	Y	9.6	No	33
M1239	MARITIME INDUSTRY - SYDNEY SEA PILOTS PTY LTD – LAUNCH CREWS – INTERIM AWARD 1996	Maritime Industry	N		No	No
M1913	METAL ENGINEERING AND ASSOCIATED INDUSTRIES AWARD, 1998	Metal Industry	Y	5.5.1	4.2.6	4.2.7
N0038	NISSAN AUSTRALIA VEHICLE INDUSTRY AWARD (PART 4, PARTS AND VEHICLE DISTRIBUTION OPERATIONS) 1983	Vehicle Industry	N		App B, Part 4	No
N0101	NURSES (ANFSOUTH AUSTRALIAN PRIVATE SECTOR) AWARD 1989	Health and Welfare Services	N		3*	
N0122	NATIONAL BUILDING AND CONSTRUCTION INDUSTRY AWARD 1990	Building Industry	Y	46 (18) (a)	13	51
N0173	NATIONAL WAREHOUSING AND DISTRIBUTION (NUW) INTERIM AWARD 1993	Storage Services	Y	6	No	No
N0183	NATIONAL JOINERY AND BUILDING TRADES PRODUCTS AWARD 1993	Building, Metal and Civil Construction Industries	Y	44	9.3	9
N0270	NSW/ACT WOOLWORTHS SUPERMARKET AWARD 1994	Wholesale and retail trade	Y	35	6	5
N0795	NATIONAL ELECTRICAL, ELECTRONIC AND COMMUNICATIONS CONTRACTING INDUSTRY AWARD 1998	Chemical Industry	N		17.7	No

Award Code	Award Name	Industry	Junior Rates		App' ships	Trainee
			Y/N	If Yes then Principal Clause Number for Junior rates	Y/N	Y/N
O0030	OPTICAL SHOP ASSOCIATED (EDB HOLDINGS INC.) AWARD 1989	Wholesale and retail trade	Y	33	No	No
O0054	OVERSEAS AIRLINES AWARD 1994	Airline Operations	Y	7	No	No
O0061	OPTICAL SHOP ASSOCIATES (VISION EXPRESS) AWARD 1993	Wholesale and retail trade	Y	36	No	No
O0073	OFFICEWORKS SUPERSTORES PTY. LTD. AWARD 1994	Wholesale and retail trade	Y	9.3	No	21
O0289	OIL AGENTS/CONTRACTORS - STOREWORKERS AWARD 1998	Oil and gas industry	Y	12.4.1	No	No
P0030	PULP AND PAPER INDUSTRY (PRODUCTION) AWARD, 1973	Pulp and Paper Industry	Y	8 (a)	No	Appendix B
P0090	PLUMBING INDUSTRY (QLD AND W A) AWARD 1979	Plumbing Industry	N		44	No
P0143	PASTORAL INDUSTRY AWARD 1998	Agricultural Industry	Y	38.3	No	No
P0247	PORT SERVICES AWARD 1998	Port and Harbour Services	N		No	No
P0324	PILKINGTON (AUSTRALIA) OPERATIONS LIMITED - AUTOMOTIVE DIVISION, PRODUCTION AND WAREHOUSING AWARD 1993	Glass Industry	Y	Div C:14 (f) (i) (1)	No	No
P0437	PHILIP MORRIS LIMITED AWARD 1998	Food, Beverages and Tobacco Industry	N		No	No
P0518	PROFESSIONAL ENGINEERS (VEHICLE INDUSTRY - MITSUBISHI) AWARD 1998	Vehicle Industry	N		No	No
P1168	POWER AND ENERGY INDUSTRY ELECTRICAL, ELECTRONIC & ENGINEERING EMPLOYEES AWARD 1998	Electrical Power Industry	Y	10.1	No	10.1
Q0022	QUEENSLAND LOCAL GOVERNMENT OFFICERS' AWARD 1998	Local Government Administration	Y	7.1	No	NTW award
Q0093	THE QUEENSLAND COLES/WOOLWORTHS SUPERMARKET MEAT EMPLOYEES' AWARD 1995	Wholesale and retail trade	Y	7.2	Part 4.1.2; 1.3 Part 7.1	Appendix B,C, D
R0007	RUBBER, PLASTIC AND CABLE MAKING INDUSTRY - GENERAL -AWARD 1996	Rubber, Plastic and Cablemaking Industry	Y	23.4.7(a)	No	17.5
R0009	RAILWAYS METAL TRADES GRADES AWARD 1953	Railways	Y	6	4C & 6	Pt 11.4

Award Code	Award Name	Industry	Junior Rates		App' ships	Trainee
			Y/N	If Yes then Principal Clause Number for Junior rates	Y/N	Y/N
R0017	RETAIL AND WHOLESALE SHOP EMPLOYEES (ACT) AWARD 1983	Retail and Wholesale Industry	Y	18.3.1	15.3	37
R0071	RESEARCH & SUPPLY VESSEL (AURORA AUSTRALIS) AWARD 1998	Maritime Industry	N		No	No
R0292	RETAIL AND WHOLESALE INDUSTRY - BOTTLE SHOP RETAIL - SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION - LIQUORLAND (AUSTRALIA) PTY LTD CONSENT AWARD 1995	Wholesale and retail trade	Y	Pt 5 Cl 1.3	No	NT WA Pt 5 Cl 2.4; Part 9 cl 2
R0319	RETAIL AND WHOLESALE INDUSTRY - RETAIL DISTRIBUTION CENTRES - SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' AWARD 1995	Wholesale and Retail Trade	N		No	No
R0343	RETAIL AND WHOLESALE INDUSTRY - SDAEA WHOLESALE GROCERS(DAVIDS-DISTRIBUTION VICTORIA) INTERIM AWARD 1995	Wholesale and retail trade	Y	1B(a)	No	No
R0527	RETAIL WHOLESALE INDUSTRY - SDAEA - CASUAL GUY PTY LTD - CONSENT AWARD 1996	Wholesale and retail trade	Y	Part D Cl 13.5	No	NT WA 11
R0591	RETAIL AND WHOLESALE INDUSTRY - FAST FOOD EMPLOYEES - SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION - DOMINO'S DIAL-A-PIZZA - INTERIM AWARD 1996	Wholesale and retail trade	Y	21	No	No
R0622	RETAIL TRADE INDUSTRY SECTOR - MINIMUM WAGE ORDER- VICTORIA 1997	Wholesale and retail trade	Y	5.4	5.5	5.7
S0073	STORAGE SERVICES AUSTRALIAN CAPITAL TERRITORY - NATIONAL UNION OF WORKERS - AWARD 1998	Storage Services	Y	17.4	No	No
S0157	SECURITY EMPLOYEES (A.C.T.) AWARD, 1998	Security Services	N			
S0283	STEVEDORING INDUSTRY AWARD 1991	Port and Harbour Services	Y	Sched 5:2 Subclause 25 (b)	41	No

Award Code	Award Name	Industry	Junior Rates		App' ships	Trainee
			Y/N	If Yes then Principal Clause Number for Junior rates	Y/N	Y/N
S0481	SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION (HOUSEHOLD APPLIANCE AND HARDWARE STORES) PUBLIC HOLIDAYS INTERIM AWARD 1993	Wholesale and Retail Trade	N		No	No
S0485	SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION (CLOTHING, FOOTWEAR, FABRICS AND HANDBAGS STORES) PUBLIC HOLIDAYS INTERIM AWARD 1993	Wholesale and Retail Trade	N		No	No
S0486	SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION (BOOKSELLERS AND STATIONERS) PUBLIC HOLIDAYS INTERIM AWARD 1993	Wholesale and Retail Trade	N		No	No
S0488	SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION (J. BLACKWOOD AND SON PTY. LIMITED) PUBLIC HOLIDAYS INTERIM AWARD 1993	Wholesale and Retail Trade	N		No	No
S0490	SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION (FOOD AND LIQUOR STORES) INTERIM AWARD 1994	Wholesale and retail trade	Y	4	No	NTWA - 13(d)
S0491	SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION (BOOKSELLERS AND STATIONERS) INTERIM AWARD 1994	Wholesale and retail trade	Y	4	No	NTWA 14
S0492	SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION -VICTORIAN SHOPS INTERIM AWARD 1994	Wholesale and retail trade	Y	4	4A	No
S0498	SAFeway SUPERMARKETS (VICTORIA)(ENTERPRISE AGREEMENT) AWARD 1995	Wholesale and retail trade	Y	5(b)	5(b) & 39	39
S0504	SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION (FOOD SHOPS) INTERIM AWARD 1994	Wholesale and retail trade	Y	4	No	13(d)
S0524	SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION/TOYS R US (NSW) INTERIM AWARD 1994	Wholesale and retail trade	Y	Pt B:35(3)	No	4

Award Code	Award Name	Industry	Junior Rates		App' ships	Trainee
			Y/N	If Yes then Principal Clause Number for Junior rates	Y/N	Y/N
S0525	SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION/TOYS R US (VICTORIA) INTERIM AWARD 1994	Wholesale and retail trade	Y	4	No	14(d)
S0665	SDA/SAN REMO LA PASTA INTERIM AWARD 1994	Wholesale and retail trade	Y	Sched 1 C	Schedule 1 D	No
S0761	SDAEA - TOYS R US (SOUTH AUSTRALIA) INTERIM AWARD 1994	Wholesale and retail trade	Y	Sched A	No	No
S0762	THE SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION TOYS R US WESTERN AUSTRALIA INTERIM AWARD 1994	Wholesale and retail trade	Y	26 Pt 2	No	NTWA 40
S0952	SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION - COUNTRY ROAD CLOTHING PTY. LTD. WHOLESALE/RETAIL WAREHOUSE AND DISTRIBUTION CENTRE AWARD 1995-1997	Wholesale and retail trade	Y	4:16	No	No
S0992	SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION - COLES SUPERMARKETS AUSTRALIA PTY LTD, WHOLESALE/RETAIL NATIONAL CONSOLIDATION CENTRE AWARD 1996	Wholesale and Retail Trade	N		No	No
S1072	SDA - CAMPBELLS CASH & CARRY PTY LTD - VICTORIA - AWARD 1996	Wholesale and retail trade	Y	15.2.3	No	No
S1274	SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION - COUNTRY ROAD AUSTRALIA RETAIL AWARD 1996 - 1999, THE	Wholesale and Retail Trade	N		No	No
S1894	SCIENTIFIC SERVICES PROFESSIONAL SCIENTISTS AWARD 1998	Scientific Services	N		No	No
S1903	SWAN HILL PIONEER SETTLEMENT PADDLE STEAMER AWARD 1998	Maritime Industry	N		No	No
T0007	TEXTILE INDUSTRY AWARD 1981	Textile Industry	Y	11 (a)	12B	10
T0029	TRANSPORT WORKERS (AIRLINES) AWARD 1988	Transport Industry	Y	8	No	7
T0118	TOBACCO INDUSTRY (ROTHMANS & WILLS) AWARD 1998	Food, Beverages and Tobacco Industry	Y	12.3	No	Annex A Item 1
T0140	TRANSPORT WORKERS AWARD, 1983	Transport Industry	Y	11(b)(ii)	No	No

Award Code	Award Name	Industry	Junior Rates		App' ships	Trainee
			Y/N	If Yes then Principal Clause Number for Junior rates	Y/N	Y/N
T0150	TRANSPORT WORKERS (MIXED INDUSTRIES) AWARD 1984	Transport Industry	Y	14 (a)	No	No
T0220	TOYOTA AUSTRALIA VEHICLE INDUSTRY AWARD 1988	Vehicle Industry	Y	Sched A:C	Schedule E	No
T0232	TRAVEL INDUSTRY - AGENCIES - GENERAL AWARD - 1998	Travel Industry	Y	13.3.1	No	No
T0275	TOYOTA AUSTRALIA (PROFESSIONAL ENGINEERS AND SCIENTISTS) CONSENT AWARD 1992	Vehicle Industry	N		No	No
T0503	TARGET AUSTRALIA PTY LTD AWARD 1994	Wholesale and retail trade	Y	Appx A	No	19
T1321	TECHNICAL SERVICES - MINING AND MANUFACTURING - PROFESSIONAL ENGINEERS AND SCIENTISTS - BHP - AWARD 1998	Technical Services	N		No	No
T1450	TECHNICAL SERVICES PROFESSIONAL ENGINEERS (GENERAL INDUSTRIES) AWARD 1998	Technical Services	N		No	No
T1451	TECHNICAL SERVICES PROFESSIONAL ENGINEERS (CONSULTING ENGINEERS) AWARD 1998	Technical Services	N		No	No
V0005	VEHICLE INDUSTRY AWARD 1982	Vehicle Industry	Y	13 (b) (i)	56	No
V0010	VEHICLE INDUSTRY (AUSTRAL PACIFIC GROUP LIMITED) CONSOLIDATED AWARD 1995	Vehicle Industry	Y	7D (b)	10	No
V0019	THE VEHICLE INDUSTRY - REPAIR, SERVICES AND RETAIL AWARD 1983	Vehicle Industry	Y	13	14 & 15	52
V0162	VICTORIAN CATHOLIC SCHOOLS AND CATHOLIC EDUCATION OFFICES AWARD 1998	Educational Services	N		No	No
V0195	VEHICLE PARTS MANUFACTURE - NISSAN CASTING AUSTRALIA PTY LTD - AWARD 1995	Vehicle Industry	N		10.4	No
V0253	VIDEO INDUSTRY (SOUTH AUSTRALIA) AWARD 1996	Wholesale and retail trade	Y	9(d)	No	No
V0348	VEHICLE INDUSTRY - KENWORTH TRUCKS - AWARD 1998	Vehicle Industry	Y	5.1.7	4.3	No

Award Code	Award Name	Industry	Junior Rates		App' ships	Trainee
			Y/N	If Yes then Principal Clause Number for Junior rates	Y/N	Y/N
V0350	VICTORIAN ELECTRICITY INDUSTRY (MINING & ENERGY WORKERS) AWARD 1998	Electrical Power Industry	Y	10.1	No	10.1
V0352	VICTORIAN PORT AND HARBOUR SERVICES CONSOLIDATED OPERATION AWARD 1998	Port and Harbour Services	Y	5.15	No	15.2.2
W0161	WORLD 4 KIDS ENTERPRISE AWARD 1994	Wholesale and retail trade	Y	7(b)	No	No
W0187	WOOLWORTHS (SA) CLERKS (NON-STORE) AWARD 1994	Wholesale and retail trade	Y	Sched 1	No	No
W0193	WOOLWORTHS SUPERMARKETS (WA) AWARD 1994	Wholesale and retail trade	Y	8.4	No	26
W0214	WOOLWORTHS (SOUTH AUSTRALIA AND NORTHERN TERRITORY) AWARD, 1994	Wholesale and retail trade	Y	59.7	Part 1.10,59,60	54 & Appx A
W0215	WOOLWORTHS DISTRIBUTION CENTRE AWARD, 1993, THE	Wholesale and Retail Trade	N		No	No
W0334	WOOLWORTHS LIMITED CANBERRA D.C. AWARD, 1995	Wholesale and Retail Trade	N		No	No
W0519	THE WHOLESALE AND RETAIL TRADE - SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION - DAIMARU AUSTRALIA PTY LTD RETAIL AND WHOLESALE AWARD - 1996 - 1999	Wholesale and retail trade	Y	14.2.3	Part 2,2-5,7&8;14.2.4.2	NTWA 10.5
W0613	WHOLESALE AND RETAIL TRADE - THE DISNEY STORE AWARD 1996	Wholesale and Retail Trade	Y	16.4	No	NTWA 10.5

APPENDIX 2

List of Awards examined and not containing a “Junior Rates” Clause

A0272	Australian Public Service Senior Executive Administrative and Clerical Award 1984	Commonwealth Employment
A0272	Australian Public Service Senior Executive Administrative and Clerical Award 1984	Commonwealth Employment
A1132	Australian Submarine Corporation Pty. Limited (Technical and Supervisory Employees) Award 1994	Shipbuilding Industry
A1693	Auschar Operations Pty Ltd - Fluidised Bed Coal Drying Plant Industrial Award 1998	Chemical Industry
A1818	Australian Submarine Corporation, Professional Engineers & Scientists Award 1996	Shipbuilding Industry
B0149	BHP Steel Products - Western Port Tradespersons Award 1998	Metal Industry
B0151	BHP Steel Products Service Centre Award, 1998	Metal Industry
B0152	BHP Steel Products Division Western Port Award 1998	Metal Industry
B0165	Bulk Loading - Hay Point Services Pty Ltd Award 1998	Port and Harbour Services
B0166	Bulk Handling and General Services Pty Ltd Bulk Handling Award 1998.	Port and Harbour Services
B0168	BHP Steel Products Building Frames Award 1998	Metal Industry
B0169	Bulk Terminal Services Bulk Handling Award 1998	Port and Harbour Services
B0500	BHP Steel Products - Technical Employees (Western Port) Award 1998	Metal Industry
B0598	Bekaert - BHP Steel Cord Award, 1998	Metal Industry
C0131	Commercial Travellers (A.C.T.) Consolidated Award, 1994	Wholesale and Retail Trade
C0191	Community Services (Home Care Service Of New South Wales) Field Staff Award 1992	Health and Welfare Services
C0191	Community Services (Home Care Service Of New South Wales) Field Staff Award 1992	Health and Welfare Services
C0257	Coles Myer Ltd (New World Supermarket, Coles Fossey and K-Mart) (Tasmania) Award 1988	Wholesale and Retail Trade
C1487	Cleaning Services - Spotless Services Australia/Alhmu - Outdoor Facilities - Consent Award 1998	Cleaning Services
C1758	Cleaning (Building and Property Services) (Act) Award 1998	Cleaning Services
C3256	Catering Industry - Nationwide Facilities Management - Goulburn Police Academy - Consent Award 1998	Catering Industry
C3258	Chemical Industry (Hunstman/Monsanto/AWU) Award 1998	Chemical Industry
D0018	Dredging Industry (AWU) Award 1998	Maritime Industry
E0327	Entertainment and Broadcasting Industry - Live Theatre and Concert - Award 1998	Entertainment and Broadcasting Industry

E0688	Entertainment and Broadcasting Industry - Theatre Managers - Cinema - Award 1998	Entertainment and Broadcasting Industry
E0689	Entertainment and Broadcasting Industry - Theatre Managers - Live Theatre - Award 1998	Entertainment and Broadcasting Industry
E0691	Entertainment and Broadcasting Industry - Motion Picture Production Award 1998	Entertainment and Broadcasting Industry
F0707	Ford Motor Company (Vehicle Industry) - Consolidated Award 1998	Vehicle Industry
G0072	General Motors Holden's Automotive Limited (Part 1) General Award 1988	Vehicle Industry
G0073	General Motors Holden's Automotive Limited (Part 2 - Draughting, Production Planning and Technical Grades) General Award 1988	Vehicle Industry
G0074	General Motors Holden's Automotive Limited (Part 3 - Supervisors) General Award 1988	Vehicle Industry
G0075	General Motors Holden's Automotive Limited (Part 4 - Clerks) General Award 1988	Vehicle Industry
G0076	General Motors Holden's Automotive Limited (Part 5 - Professional Engineers and Professional Scientists) General Award 1988	Vehicle Industry
G0118	Gladstone Ship Bunkering Operation Award, 1992	Maritime Industry
H0049	Holden's Engine Company (Part 1) Award 1993	Vehicle Industry
H0051	Holden's Engine Company (Part 3) Award 1993	Vehicle Industry
H0053	Holden's Engine Company (Part 5) Award 1993	Vehicle Industry
I0002	Insurance Industry Award 1998	Insurance Industry
K0095	Kfc National Enterprise Award 1995	Wholesale and Retail Trade
M0042	Metal, Engineering and Associated Industries (Professional Engineers and Scientists) Award 1998	Metal Industry
M0141	Maritime Industry Dredging Award 1988	Maritime Industry
M0197	Marine Engineers (Non Propelled) Dredge Award 1988	Maritime Industry
M0321	Musicians (Opera and Ballet) Orchestral Award 1998	Entertainment and Broadcasting Industry
M1239	Maritime Industry - Sydney Sea Pilots Pty Ltd – Launch Crews – Interim Award 1996	Maritime Industry
N0101	Nurses (Anfsouth Australian Private Sector) Award 1989	Health and Welfare Services
N0101	Nurses (Anfsouth Australian Private Sector) Award 1989	Health and Welfare Services
N0183	National Joinery and Building Trades Products Award 1993	Building, Metal and Civil Construction Industries
N0183	National Joinery and Building Trades Products Award 1993	Building, Metal and Civil Construction Industries
P0090	Plumbing Industry (Qld and W A) Award 1979	Plumbing Industry
P0090	Plumbing Industry (Qld and W A) Award 1979	Plumbing Industry
P0247	Port Services Award 1998	Port and Harbour Services

P0437	Philip Morris Limited Award 1998	Food, Beverages and Tobacco Industry
P0518	Professional Engineers (Vehicle Industry - Mitsubishi) Award 1998	Vehicle Industry
R0071	Research & Supply Vessel (Aurora Australis) Award 1998	Maritime Industry
R0319	Retail and Wholesale Industry - Retail Distribution Centres - Shop, Distributive and Allied Employees' Award 1995	Wholesale and Retail Trade
S0157	Security Employees (A.C.T.) Award, 1998	Security Services
S0481	Shop, Distributive and Allied Employees Association (Household Appliance and Hardware Stores) Public Holidays Interim Award 1993	Wholesale and Retail Trade
S0485	Shop, Distributive and Allied Employees Association (Clothing, Footwear, Fabrics and Handbags Stores) Public Holidays Interim Award 1993	Wholesale and Retail Trade
S0486	Shop, Distributive and Allied Employees Association (Booksellers and Stationers) Public Holidays Interim Award 1993	Wholesale and Retail Trade
S0488	Shop, Distributive and Allied Employees Association (J. Blackwood and Son Pty. Limited) Public Holidays Interim Award 1993	Wholesale and Retail Trade
S0992	Shop, Distributive and Allied Employees' Association - Coles Supermarkets Australia Pty Ltd, Wholesale/Retail National Consolidation Centre Award 1996	Wholesale and Retail Trade
S1274	Shop, Distributive and Allied Employees' Association - Country Road Australia Retail Award 1996 - 1999, The	Wholesale and Retail Trade
S1894	Scientific Services Professional Scientists Award 1998	Scientific Services
S1903	Swan Hill Pioneer Settlement Paddle Steamer Award 1998	Maritime Industry
T0275	Toyota Australia (Professional Engineers and Scientists) Consent Award 1992	Vehicle Industry
T1321	Technical Services - Mining and Manufacturing - Professional Engineers and Scientists - BHP - Award 1998	Technical Services
T1450	Technical Services Professional Engineers (General Industries) Award 1998	Technical Services
T1451	Technical Services Professional Engineers (Consulting Engineers) Award 1998	Technical Services
V0162	Victorian Catholic Schools and Catholic Education Offices Award 1998	Educational Services
W0215	Woolworths Distribution Centre Award, 1993, The	Wholesale and Retail Trade
W0334	Woolworths Limited Canberra D.C. Award, 1995	Wholesale and Retail Trade

APPENDIX 3

Awards with 'Junior Rate' provisions not included in adult age summary[*] (paragraph 2.2.1 and figure 2)			
	Award Name	Industry	Reason for omission
B0878	BHP REINFORCING AWARD 1998	Metal industry : [58]	Competency based pay: Appendix A: Skills Model: new operator to pass competency test within 3 months of commencement, or deemed failed probation.
D0498	DENTAL (PRIVATE SECTOR VICTORIA) AWARD 1998	Health and welfare services: [50]	Experienced based pay: for Dental Assistants and Clerks less than age 21; (Cl.17.2)
H0488	HEALTH AND ALLIED SERVICES - PRIVATE SECTOR - VICTORIA CONSOLIDATED AWARD 1998	Health and welfare services: [54]	(Cl. 17): progression by year of experience to full rate at age 19 or 20
H0564	HEALTH AND ALLIED SERVICES - PUBLIC SECTOR - VICTORIA CONSOLIDATED AWARD 1998	Health and welfare services:[51]	(Cl. 19): progression by year of experience to full rate at age 19 or 20
L0012	LIQUOR INDUSTRIES - RACECOURSES SHOWGROUNDS ETC. - CASUALS AWARD 1998	Liquor and accommodation industry: [7]	Junior not defined but 80% adult rate applies to Juniors: (Cl.13.9).
M0602	MOBIL OIL CLERICAL EMPLOYEES AWARD 1994	Oil and gas industry: [16]	Absolute dollar amounts by age., Whether calculated as percentage, or the appropriate adult reference rate not clear.
N0183	NATIONAL JOINERY AND BUILDING TRADES PRODUCTS AWARD 1993	Building, Metal And Civil Construction Industries: [222]	Clause 44: Unapprenticed juniors under age 21 in S.A. joinery and mixed industry paid by year of experience as for apprentices with adult rate after 4 th year.
P1168	POWER AND ENERGY INDUSTRY ELECTRICAL, ELECTRONIC & ENGINEERING EMPLOYEES AWARD 1998	Electrical power industry; [30]	Experienced based pay: apprentices and trainees only
R0009	RAILWAYS METAL TRADES GRADES AWARD 1953	Public transport industry: [140]	Refers to percentage scale in another Award; allows age 18 rate for non-dependent juniors.
T0118	TOBACCO INDUSTRY (ROTHMANS & WILLS) AWARD 1998	Food, beverages and tobacco industry: [33]	Clause 12.3 : Trainee rate based on percentage of award classification
V0350	VICTORIAN ELECTRICITY INDUSTRY (MINING & ENERGY WORKERS) AWARD 1998	Electrical power industry: [31]	Trainee rates only based on experience and percentage of award rate of Power Plant Operator
V0352	VICTORIAN PORT AND HARBOUR SERVICES CONSOLIDATED OPERATION AWARD 1998	Port and harbour services: [64]	Trainee rates only.

* The figure in brackets is the page reference to the conspectus of selected award extracts

APPENDIX 4 PART A

Junior Rates: Weekly Award Wages in Selected Awards for 38 hour week after April 1998 Safety Net Adjustment

Age	Metal Engineering And Associated Industries Award 1998 (A)			Hospitality Industry Accommodation, Hotels, Resorts and Gaming Award 1998 (B)			Pastoral Industry Award 1998 (C)			Pharmacy (State) Award (D)		
	(\$)	(per cent)	hourly rate	(\$)	(per cent)	hourly rate	(\$)	(per cent)	hourly rate	(\$)	(per cent)	hourly rate
Under 16	\$143.57	36.8	\$3.79	-	-		\$168.03	45	\$4.42	\$168.84	40	\$4.44
16	\$184.52	47.3	\$4.86	-	-		\$186.70	50	\$4.91	\$211.05	50	\$5.55
17	\$225.48	57.8	\$5.93	\$273.07	70	\$7.20	\$205.37	55	\$5.40	\$253.26	60	\$6.66
18	\$266.44	68.3	\$7.01	\$312.08	80	\$8.21	\$242.71	65	\$6.39	\$295.47	70	\$7.78
19	\$321.83	82.5	\$8.47	\$351.09	90	\$9.24	\$280.05	75	\$7.37	\$337.68	80	\$8.89
20	\$381.13	97.7	\$10.03	\$390.10	100	\$10.27	\$336.06	90	\$8.84	\$379.89	90	\$10.00
Adult	\$390.10	100	\$10.27	\$390.10	100	\$10.27	\$373.40	100	\$9.83	\$422.10		\$11.12

Note A: Clause 5.5.1: Unapprenticed Juniors: **Comparator Classification:** C13 – Engineering/ Production employee who has completed up to three months structured training. (Schedule D:Part 1: 1.2). Note that the C13 classification is one level above the C14 classification used as the Federal Minimum Wage equivalent \$373.40 per week as per: [Print Q6779; P1371 and Q1998]. Principle 9.3 the Federal Minimum Wage Principles requires the percentage for the junior wage rates clause to be applied to that amount to calculate a minimum wage rate. *Casual loading* is 20% (Clause 4.2.3)

Note B: Clause 15.5.1 : Junior Employees (other than Office Juniors): **Comparator Classification:** The comparator is to whatever is the “appropriate adult” classification for the work. In the example above the Level 1 Food and Beverage Attendant Grade 1 is used as the comparator; Duties include picking up glasses, emptying ashtrays, general assistance with food and beverages; cleaning and tidying areas. (Clause 3.1.1) *Casual loading* is 25% Mon - Fri, 50%sat, 75% Sun, 175% Pub Holiday (Clause 15.2).For Office Junior classification the percentage range is from 50% - 100% for ages 15 to 20; the comparator is a Clerical Grade 1 - \$415.20.

Note C: Clause 38.3 – Juniors: **Comparator Classification:** Station Hand Grade 1 – a person with less than 12 months experience. (Clause 37.2). Ordinary hours to not exceed 160 hours in any consecutive period of 4 weeks. (Clause 39.1) *Casual loading* is 17.5% (Clause 38.1(c))

Note D: Clause 14(ii) – Junior Pharmacy Assistants: **Comparator Classification:** There are 4 grades of Pharmacy Assistants. Pharmacy Assistant Grade 1(First six months) receives \$422.10 per week. After six months there is automatic progression to Grade 2 at \$432.40. Grades 1-4 range from \$422.10 - \$463.10. (Table 1) Grade 1 employee is conditioned upon six months training under supervision. (Clause 2)

Note E: Clause 46, Part V (18)(a) – Junior Workers’ wages (per week): **Comparator Classification:** The aggregate of the tradespersons minimum weekly rate prescribed in cl.9(a) and the special allowance prescribed in Clause 9.3, the actual minimum rate. Juniors also receive a percentage of the allowances adults receive, such as the industry allowance ranging from 40% - 100% if aged between 16 and 19. (Clause. 46 PartV (18)(b)). **N.B.** Junior rate does not apply generally in construction. Application of junior rate is generally confined to shops and support operations. *Casual loading* is 20% (Clause 8.1(c)).

Note F: Clause 16B – Table B4 – Junior (other than a junior artist and/or designer or a junior keyboard operator/assembler) not being an apprentice who works in the Grade level 2 area – i.e. An attendant/assistant mechanic, caster, copy holder, railway ticket printer, assistant on the printing machine etc. (Cl 16B): **Comparator Classification** : A Level 2 employee must have completed the structured training at Level 1 and have taken training in a wider range of duties and classifications. (Clause 16D) [Table B4 refers to the comparator group level 2A which no longer exists] *Casual loading* is 20% (Clause 4.1.5)(e)).

Junior Rates: Weekly Award Wages in Selected Awards for 38 hour week after 1998 Safety Net increase.

Age	Travel Industry – Agencies – General Award 1998 (G)			Federal Meat Industry [Processing] Award 1996 (H)			Catering – Victoria Award 1998 (I)			Insurance Industry Award (J)		
	(\$)	(per cent)	hourly rate	(\$)	(per cent)	hourly rate	(\$)	(per cent)	hourly rate	(\$)	(per cent)	hourly rate
Under 16	\$266.83	64	\$7.41	-	-		\$263.27	70	\$6.93	-	-	
16	\$266.83	64	\$7.41	\$197.00	50	\$5.18	\$263.27	70	\$6.93	\$215.84	50	\$5.18
17	\$266.83	64	\$7.41	\$236.40	60	\$6.22	\$263.27	70	\$6.93	\$259.00	60	\$6.22
18	\$308.53	74	\$8.12	\$295.50	75	\$7.78	\$300.88	80	\$7.92	\$302.18	70	\$7.41
19	\$362.73	87	\$9.55	\$334.90	85	\$8.81	\$338.49	90	\$8.91	\$345.34	80	\$9.55
20	-	-		\$394.00	100	\$10.37	\$376.10	100	\$9.90	\$388.51	90	\$10.37
Adult	\$416.93		\$10.97	\$394.00		\$10.37	\$376.10		\$9.90	\$431.67		\$10.97

Note G. Juniors – (Clause 13.3) **Comparator Classification:** The percentages generally apply to "the appropriate classification". The comparator used in the Table is the Travel Support employee. This employee is an adult employee who performs the work of a messenger, receptionist, typist or clerical support staff. (Clause 4.8) The wage rate is determined by an employee, in their first year of employment and working a large city. *Casual loading* is 20% (Clause 10.2.2)

Note H Junior Grade in Abattoir – **Comparator Classification:** Grade 2 – employees whose tasks could be one of the following: move cattle and sheep up the race; clean tripes by machine; separate/handle offal; remove head meat or bag lambs. (Part 5: Clause 24.1 Division A and Division E) *Casual loading* is 20% (Clause 11(c)(i)).

Note I Juniors – (Clause 12.5.1) are to receive the percentage outlined above of the "appropriate adult classification". **Comparator Classification:** As an example Food and Beverage Attendant – Grade 1- was used. This employee must pick up glasses, empty ashtrays, remove plates from the tables and wipe/set up tables. (Clause. 5) Note that at clause 35.3 the junior rate is decreased by a percentage of the adult deduction for the provision of accommodation and meals. *Casual loading* is 25% Mon - Fri, 175% Pub holidays (Clause 12.2.2).

Note J Junior employees can be employed in Grades 1-3 (Clause 14.5) Grade 1 is used in the Table. **Comparator Classification:** Grade 1 – employee duties are: mail; sort and file documentation; computer work; complete standard forms/letters according to rules; despatch/process cheques/payments etc. (Appendix B) *Casual loading* is 25% (Clause 11.1)

Note K Juniors – (Clause 7) **Comparator Classification:** First Increment of Level 1 – Technical Services stream: Requires basic knowledge of construction, maintenance, horticulture and council administration. (Clause 7.1, Schedule A) *The rate is calculated as the weekly rate of \$23 037 (divided by 52.016). *Casual loading* is 19% Mon - Fri, 25% otherwise (Clause 19.4)

Note L Junior employees – (Clause 17.4) **Comparator Classification:** Classification in which employed (Clause. 17.4). Storeworker 1 is used (Clause 17.2.1). Duties include storing, packing, preparation of receipts and documentation, allocating and retrieving goods. Note that the range for storeworkers are 1-4, \$411.50 - \$466.10. A Grade 4 employee must have a trade certificate or equivalent qualification (Clause 17.2.4(b)). *Casual loading* is 20% (Clause 13.3.1).

Junior Rates: Weekly Award Wages in Selected Awards for 38 hour week after 1998 Safety Net increase.

	Clothing Trades Award 1982 (M)			SDAEA Victorian Shops Interim Award 1994 (N)			Shop Employees (State) Award – (NSW) Per hour (O)			Retail (Industry Interim) Award – (Queensland) Per hour (P)		
	(\$)	(per cent)	Hourly rate	(\$)	(per cent)	hourly rate	(\$)	(per cent)	Hourly rate	(\$)	(per cent)	hourly rate
Under 16	\$206.30	50	\$5.43	\$216.20	50	\$5.69	\$172.72	40	\$4.55	\$194.60	45	\$5.12
16	\$206.30	50	\$5.43	\$216.20	50	\$5.69	\$215.90	50	\$5.54	\$216.20	50	\$5.69
17	\$247.56	60	\$6.51	\$237.80	55	\$6.26	\$259.08	60	\$6.82	\$237.80	55	\$6.26
18	\$284.70	69	\$7.49	\$291.90	67.5	\$7.68	\$302.26	70	\$7.95	\$281.10	65	\$7.40
19	\$309.45	75	\$8.14	\$345.90	80	\$9.10	\$345.44	80	\$9.09	\$324.30	75	\$8.53
20	\$350.70	85	\$9.23	\$389.20	90	\$10.24	\$388.62	90	\$10.23	\$367.50	85	\$9.67
Adult (21+)	\$412.60		\$10.85	\$432.40		\$11.38	\$431.80		\$11.36	\$432.40		\$11.38

Note M Junior rate is for an “improver”. There is no definition of an improver in the Award, though the section dealing with this classification also deals with apprentices. (Clause 8(b)) **Comparator Classification:** Skill level 2 – employees are required to have attained the skills of Level 1 and to instruct other employees, to identify and rectify minor equipment/machine faults. There are four levels. An employee who has a trade certificate holds the fourth level position. (Clause 7A(b)(ii)) *Casual loading* is 33.3% (Clause 21(c)).

Note N Juniors: **Comparator Classification:** Retail Worker Grade 1 means a shop assistant, a sales person, an assembler, a demonstrator, a ticket writer, a window dresser, a merchandiser and all others. (Clause 4). *Casual loading* is 25% ordinary times, 45% night shift (Clauses 14(c) and 9(f)).

Note O Taken from Submission 23: Australian Retailers Association – Appendix E at 73. Juniors, the wage rate and comparator classification are referred to in Part B – Monetary Rates -Table 1 of the award, supplied by the Retail Traders’ Association of New South Wales.

Note P Refers to the Southern and Central Division. _Taken from Submission 23: Australian Retailers Association – Appendix E at 74. Junior employee – under 21 years, excepting employees engaging in cleaning, watching, gatekeeping or lift attendant duties (Clause 3.1) **Comparator Classification** - shop assistant (Clause 3.2) supplied by Retailers Association of Queensland.

Note Q Juniors – **Comparator Classification:** Shop assistants (including warehouse employees); Ticketwriters (namely, employees designing and lettering price tickets); Demonstrators, Office assistants, cashiers and retail merchandisers. (Clause 18.2) There are various extra allowances that these employees may receive. If a ticketwriter has completed the relevant technical course he/she will receive an additional \$6.05 per week. If a junior performs outdoor selling he/she will receive an extra \$4.40 per week. (Clause 18.3.2 following). *Casual loading* is 15% (Clause App B, Item 2).

Junior Rates: Weekly Award Wages in Selected Awards for 38 hour week after 1998 Safety Net increase.

Age	Vehicle Industry Repair Services and Retail Award 1983 (R)			Clerical and Administrative Employees (Victorian) Award 1995 (S)			Westpac Banking Corporation Enterprise Development Agreement 1998 (T)			National Australia Bank Enterprise Agreement (U)	
	(\$)	(per cent)	hourly rate	(\$)	(per cent)	Hourly rate	(\$)	(per cent)	hourly rate	(\$)	(per cent)
Under 16	\$205.91	47.5	\$5.42	\$199.15	45	\$5.24	\$236.85		\$6.23	\$324.40	
16	\$205.91	47.5	\$5.42	\$221.30	50	\$5.82	\$236.85		\$6.23	\$324.40	
17	\$216.75	50	\$5.70	\$265.55	60	\$7.00	\$284.15		\$7.48	\$324.40	
18	\$270.94	62.5	\$7.13	\$309.80	70	\$8.15	\$331.50		\$8.72	\$417.15	
19	\$325.13	75	\$8.56	\$354.10	80	\$9.32	\$378.90		\$9.97	\$417.15	
20	\$379.31	87.5	\$9.98	\$398.35	90	\$10.48	\$426.25		\$11.22	\$472.75	
Adult	\$433.50		\$11.41	\$422.10		\$11.11					

Note R This is the minimum percentage rate for Juniors employed as assembler – accessories, assembler – body shop, automotive parts salesperson, automotive serviceperson and/or checker, bodymaker – second class etc. (Clause 13(a)) Each of the listed occupations come under a level between 1 – 6 with a different wage rate corresponding with that level.

Comparator Classification: The occupation used in the table is an assembler – accessories who is a Level 3 employee whose minimum adult rate is \$412.60. The Level 3 employee – would normally have completed 8 modules of a nationally accredited RS&R Certificate or equivalent training. (Clause 8(a)). *Casual loading* is 20% (Clause 6(f)).

Note S Juniors employed as clerical assistants. **Comparator Classification:** Grade 1 and 2 Clerical Assistant with first six months experience – the employee must perform clerical and office tasks directed within the skill levels set out, namely, operate telephones, use all technical aids, receive and sort mail etc. (Clause 3(a) and 3(h))

Note T The junior rates clause and the wage rates are the same for the Westpac Banking Corporation (Telephone Banking) Enterprise Development Agreement 1998 and also the Westpac Corporation (WFS) Enterprise Development Agreement 1998

Note U: Juniors – Clause 16. Note that the clause seeks to phase out junior rates.

Apprentice Juniors: Weekly Award Wages in Selected Awards for 38 hour week after 1998 Safety Net increase

Year of Apprenticeship	Metal Engineering And Associated Industries Award 1998 (V)			Hospitality Industry Accommodation, Hotels, Resorts and Gaming Award 1998 (W)			Vehicle Industry, Repair Services and Retail Award 1983. (X)			Aerospace Industry (Hawker d Havilland) Award 1998 (Y)		
	(\$)	(per cent)	hourly rate	(\$)	(per cent)	hourly rate	(\$)	(per cent)	hourly rate	(\$)	(per cent)	hourly rate
1	\$195.40	42	\$5.14	\$255.86	55	\$6.73	\$195.40	42	\$5.14	\$232.40	42	\$6.00
2	\$255.90	55	\$6.73	\$302.38	65	\$7.96	\$255.90	55	\$6.73	\$304.35	55	\$8.00
3	\$348.90	75	\$9.18	\$372.16	80	\$9.79	\$348.90	75	\$9.18	\$414.55	75	\$10.00
4	\$409.40	88	\$10.77	\$441.94	95	\$11.63	\$409.40	88	\$10.77	\$487.00	88	\$12.00
Tradesperson	\$465.20		\$12.24	\$465.20		\$12.24	\$465.20*		\$12.24	\$553.40*		\$14.00

(* minimum weekly rate)

(* rates apply at Milperra site NSW only)

Note V Year 1 of the Apprenticeship - National Training Wage Award (ODN: 22543 of 1998) Traineeship Skill Level "B" exit rate

Year 2 – C14 – Engineering/Production Employee – Level 1 – has undertaken up to 38 hours induction training.

Year 3 – C13 - Engineering/Production Employee – Level 2 – has completed up to 3 months structured training.

Year 4- C12 – Engineering/Production Employee – Level 3 – has completed an Engineering Production Certificate I – (Part I: Schedule D: 1.2)

Note W This rate applies to Victoria only. NSW apprentices come under the State awards.

The comparator in this instance is a Cook (tradesperson) grade 3 – a 'commi chef' who completed an apprenticeship or who has passed the appropriate trade test and who is engaged to perform cooking, butchering and baking or pastry cooking duties. (Clauses 3 and 18)

Note X Body Maker 1st Class – means a tradesperson engaged on the building, rebuilding, altering, without the aid of jigs, repairing or customising of passenger and/or commercial vehicle bodies, trailers and other vehicle bodies or chassis in wood/metal and other substitute material. (Clause 44(h)(i)). **[Note that in Clause 14(b)(i) is the minimum rate to be paid for an apprentice or probationer and thus the employer shall covenant to pay wages of not less than the above rate].**

Note Y Aerospace Base Tradesperson – an employee who holds a Trade Certificate or Tradesperson Rights Certificate in one of the following engineering streams: electrical/electronics, mechanical or fabrication. (Schedule B – Employees at 361 Milperra Rd, Bankstown, NSW, Clause 1.6 – Definitions and Clause 1.2 Rates of Pay). There is provision for adult apprentices to keep their adult wage as apprentices. (Clause Schedule A, clause 1.4).

Note Z The above rates are for an apprentice stoneworker whose adult weekly rate is \$465.30 . A stoneworker is defined in Clause 38(54)(I) to be an employee who performs foundation work and building random rubble uncoursed. The minimum rates for all trades other than signwriters are set out in Clause 46: Part III (14)(a) which range from \$198.70 in the first year to \$416.20 in the fourth year..

Note AA Compared to a skilled employee working at the rate prescribed for group Level 5. (Clause 16B) An employee at this level will have achieved the comparable knowledge and standards as ratified by the National Training Board or have completed an apprenticeship. (Clause 16D(b)).

APPENDIX 4 PART B

COMPARISON BETWEEN JUNIOR RATES AND APPRENTICESHIP RATES: SELECTED AWARDS

Junior Rates: Weekly Award Wages in Selected Awards for 38 hour week after April 1998 Safety Net increase.

Age	Metal Engineering And Associated Industries Award 1998 (Note 1)			Hospitality Industry Accommodation, Hotels, Resorts and Gaming Award 1998 (Note 2)			SDAEA Victorian Shops Interim Award 1994 (Note 3)			National Building and Construction Industry Award 1990 (Note 4)		
	(\$)	(per cent)	Hourly rate	(\$)	(per cent)	hourly rate	(\$)	(per cent)	Hourly rate	(\$)	(per cent)	hourly rate
Under 16	\$143.57	36.8	\$3.79	-	-		\$216.20	50	\$5.69	-	-	
16	\$184.52	47.3	\$4.86	-	-		\$216.20	50	\$5.69	\$198.70*	42	\$
17	\$225.48	57.8	\$5.93	\$273.07	70	\$7.20	\$237.80	55	\$6.26	\$260.20*	55	\$
18	\$266.44	68.3	\$7.01	\$312.08	80	\$8.21	\$291.90	67.5	\$7.68	\$354.80*	75	\$
19	\$321.83	82.5	\$8.47	\$351.09	90	\$9.24	\$345.90	80	\$9.10	\$416.20*	88	\$
20	\$381.13	97.7	\$10.03	\$390.10	100	\$10.27	\$389.20	90	\$10.24	Trade rate	100	
Adult	\$390.10	100	\$10.27	\$390.10	100	\$10.27	\$432.40		\$11.38	(*minimum rates)		

Apprentice Juniors: Weekly Award Wages in Selected Awards for 38 hour week after 1998 Safety Net increase

Year of Apprenticeship	Metal Engineering And Associated Industries Award 1998 (Note 6)			Hospitality Industry Accommodation, Hotels, Resorts and Gaming Award 1998 (Note 7)			SDAEA Victorian Shops Interim Award 1994 (Note 8)			National Building and Construction Industry Award 1990 (Note 9)		
	(\$)	(per cent)	Hourly rate	(\$)	(per cent)	hourly rate	(\$)	(per cent)	Hourly rate	(\$)	(per cent)	hourly rate
							\$194.60	45	\$5.12*			
1	\$195.40	42	\$5.14	\$255.86	55	\$6.73	\$237.80	55	\$6.26	\$195.45	42	
2	\$255.90	55	\$6.73	\$302.38	65	\$7.96	\$335.10	77.5	\$8.82	\$255.90	55	
3	\$348.90	75	\$9.18	\$372.16	80	\$9.79	\$389.20	90	\$10.24	\$349.00	75	
4	\$409.40	88	\$10.77	\$441.94	95	\$11.63	\$432.44	100	\$11.38	\$409.50	88	
Tradesperson	\$465.20		\$12.24	\$465.20		\$12.24	\$432.44	100	\$11.38	\$465.30		

*This row of figures refer to Pre Apprenticeship rate in the SDAEA – Victorian Shops Interim Award 1994

Note 1: Clause 5.5.1: Unapprenticed Juniors: **Comparator Classification:** C13 – Engineering/ Production employee who has completed up to three months structured training. (Schedule D:Part 1: 1.2). Note that the C13 classification is one level above the C14 classification used as the Federal Minimum Wage equivalent as per \$373.40 per week. [Print Q6779; P1371 and Q1998. Principle 9.3 the Federal Minimum Wage Principle requires the percentage for the junior wage rates clause to be applied to that amount to calculate a minimum wage rate.

Note 2: Clause 15.5.1 : Junior employees (other than office juniors). Note that junior office employees percentage range is greater, from 50% - 100% from 15 to 20 years, the comparator is a Clerical grade 1 - \$415.20: **Comparator Classification:** The comparator is to whatever is the “appropriate adult” classification for the work. In the example above the level 1 food and beverage attendant grade 1 is used as the comparator. Their duties include picking up glasses, emptying ashtrays, general assistance with food and beverages; cleaning and tidying areas. (Clause 3.1.1)

Note 3: Juniors: **Comparator Classification:** Retail Worker Grade 1 means a shop assistant, a sales person, an assembler, a demonstrator, *Casual loading* is 25% ordinary times, 45% night shift (Clauses 14(c) and 9(f)).

Note 4: Clause 46, Part V (18)(a) – Junior workers’ wages (per week): **Comparator Classification:** The aggregate of the tradespersons minimum in Clause 9.3, the actual minimum rate. Juniors also receive a percentage of the allowances adults receive, such as the industry allowance (18)(b))

Note 5: Clause 16B – Table B4 – Junior (other than a junior artist and/or designer or a junior keyboard operator/assembler) not being an mechanic, caster, copy holder, railway ticket printer, assistant on the printing machine etc. (Cl 16B): **Comparator Classification** : A Level 1 taken training in a wider range of duties and classifications. (Clause 16D) [note that Table B4 refers to the comparator group level 2A which

Note 6 Year 1 of the Apprenticeship - National Training Wage Award (ODN: 22543 of 1998) Traineeship Skill Level “B” exit rate

Year 2 – C14 – Engineering/Production Employee – Level 1 – has undertaken up to 38 hours induction training.

Year 3 – C13 - Engineering/Production Employee – Level 2 – has completed up to 3 months structured training.

Year 4- C12 – Engineering/Production Employee – Level 3 – has completed an Engineering Production Certificate I – (Part I: Schedule D: 1

Note 7 This rate applies to Victoria only. NSW apprentices come under the State awards.

The comparator in this instance is a Cook (tradesperson) grade 3 – a ‘commi chef’ who completed an apprenticeship or who has passed the appropriate baking or pastry cooking duties. (Clauses 3 and 18)

Note 8 Floristry is the only trade offered. Comparator – Retail Worker Grade 1 (Clause 4A). Retail Worker Grade 1 as defined in Note 3 above.

Note 9 The above rates are for an apprentice stoneworker whose adult weekly rate is \$465.30 . A stoneworker is defined in Clause 38(54)(I) to be rubble uncoursed. The minimum rates for all trades other than signwriters are set out in Clause 46: Part III (14)(a) which range from \$198.70 in the

Note 10 Compared to a skilled employee working at the rate prescribed for group Level 5. (Clause 16B) An employee at this level will have a National Training Board or have completed an apprenticeship. (Clause 16D(b)).

APPENDIX 4 PART C

COMPARISON BETWEEN JUNIOR RATE, APPRENTICESHIP RATE AND TRAINEESHIP RATE: SELECTED AWARDS

National Building and Construction Industry Award 1990

<u>Junior rate</u> (Note 1)				<u>Apprenticeship rate</u> (Note 2)			<u>Traineeship rate</u> (Note 3)		
Age	(\$)	(per cent)	Hourly Rate	Year of Apprenticeship	(\$)	(per cent)	Hourly Rate	(\$)	(per cent)
Under 16	-	-		1	\$195.45	42	\$5.14	Stage 1	\$356.35
16	\$198.70*	42	\$5.23	2	\$255.90	55	\$6.73	Stage 2	\$398.15
17	\$260.20*	55	\$6.85	3	\$349.00	75	\$9.18	Stage 3	\$448.25
18	\$354.80*	75	\$9.34	4	\$409.50	88	\$10.78		
19	\$416.20*	88	\$10.95	Trade rate	\$465.30		\$12.24		
20	Trade rate 100 *(minimum rates)								
Adult									

Note 1: Clause 46, Part V (18)(a) – Junior workers’ wages (per week): **Comparator Classification:** The aggregate of the tradespersons minimum weekly rate prescribed in cl.9(a) and the special allowance prescribed in Clause 9.3, the actual minimum rate. Juniors also receive a percentage of the allowances adults receive, such as the industry allowance ranging from 40% - 100% if aged between 16 and 19. (Clause. 46 PartV (18)(b))

Note 2: The above rates are for an apprentice stoneworker whose adult weekly rate is \$465.30. A stoneworker is defined in Clause 38(54)(I) to be an employee who performs foundation work and building random rubble uncoursed. The minimum rates for all trades other than signwriters are set out in Clause 46: Part III (14)(a) which range from \$198.70 in the first year to \$416.20 in the fourth year..

Note 3: Definition of traineeship – a system of structured on-the-job training with an employer and off-the-job training with an approved training provider.

The three stages of training result in a qualification at CW3 level (equivalent to AVC level 3). Progression through each stage will be dependent on the

Trainee passing the required competency based assessment. It does not say how long the stage takes.

SDAEA – Victorian Shops Interim Award 1994

<u>Junior rate (Note 1)</u>				<u>Apprenticeship rate (Note 2)</u>			<u>Traineeship rate</u>	
Age	(\$)	(per cent)	Hourly Rate	Year of Apprenticeship	(\$)	(per cent)	Hourly Rate	Left school Year 10
Under 16	\$216.20	50	\$5.69					
16	\$216.20	50	\$5.69	Pre Apprenticeship	\$194.60	45	\$5.12	School leaver
17	\$237.80	55	\$6.26	1	\$237.80	55	\$6.26	1 year out
18	\$291.90	67.5	\$7.68	2	\$335.10	77.5	\$8.82	2 years
19	\$345.90	80	\$9.10	3	\$389.20	90	\$10.24	3 years
20	\$389.20	90	\$10.24	4	\$432.44	100	\$11.38	4 years
Adult	\$432.40	100	\$11.38	Trade rate	\$432.44	100	\$11.38	5 years or more

Note 1: Juniors: **Comparator Classification:** Retail Worker Grade 1 means a shop assistant, a sales person, an assembler, a demonstrator, a ticket writer, a window dresser, a merchandiser and all others. (Clause 4).

Note 2: Floristry is the only trade offered. Comparator – Retail Worker Grade 1 (Clause 4A). Retail Worker Grade 1 as defined in Note 1 above.

Note 3: Deems the National Training Wage Award 1994 to apply (Clause 14(d)). Trainee rate – (National Training Wage Award 1994 at Clause 10) The rate differs depending on the highest year of schooling completed and the skill level depending on the accredited training level. In the above table the highest year of schooling completed was Year 10, if it had been Year 11 the trainee would have started on a higher level but progressed proportionally at the same trainee as the trainee in the example. Retail worker - **Skill level B.** (Information provided by the Retail Traders’ Association of New South Wales).

*This rate applies to trainees who spend 33% of their time in approved training.

Traineeship rate
Retail Industry (State) Training Wage
Award (NSW) (Note 1)

Traineeship rate
Retail Industry
(State) Training
Award (QLD)

(Note 2)

	(\$)	(Per Hour)	(Approx. Age)		(\$)	(Per hour)	(Approx. Age)
Left year 12				Left year 12			
School leaver	\$225.00	\$5.92	18	School leaver	\$225.00	\$5.92	17
1 year out	\$259.00	\$6.82	19	1 year out	\$259.00	\$6.82	18
2 years	\$304.00	\$8.00	20	2 years	\$304.00	\$8.00	19
3 years	\$346.00	\$9.11	21	3 years	\$364.00	\$9.11	20

National Training Wage Scheme

Highest year of Schooling completed	Skill Level A (Note 1)			Skill Level B		
	Year 10 \$	Year 11 \$	Year 12 \$	Year 10 \$	Year 11 \$	Year 12 \$
School leaver	138.00 (50%)* 161.00 (33%)	171.00 (33%) 193.00 (25%)	235.00	138.00 (50%) 161.00 (33%)	171.00 (33%) 193.00 (25%)	225.00
Plus 1 year out of school	193.00	235.00	274.00	193.00	225.00	259.00
Plus 2 years	235.00	274.00	319.00	225.00	259.00	304.00
Plus 3 years	274.00	319.00	364.00	259.00	304.00	346.00
Plus 4 years	319.00	364.00		304.00	346.00	
Plus 5 years or more	364.00			346.00		

Note 1: Where the accredited training course and work performed are for the purpose of generating skills which have been defined for work at the Skill level, see Schedule C for the list of classifications that come under each Skill Level. When an award refers to the National Training Wage has its calculator for the trainee wage rates, the Schedule must be checked to see what Skill Level the employee comes under and the highest year of schooling must be ascertained.

Hospitality Industry, Accommodation, Hotels, Resorts and Gaming Award 1998

Junior rate (Note 1) (Note 1)				Apprenticeship rate (Note 2)				Traineeship rate (Note 3)	
Age	(\$)	(per cent)	Hourly Rate	Year of Apprenticeship	(\$)	(per cent)	Hourly Rate	Left school	Year 10 \$
Under 16	-	-	-	Pre Apprenticeship	-	-	-	School leaver	\$161.00
16	-	-	-	1	\$255.86	55	\$6.73	1 year out	\$193.00
17	\$273.07	70	\$7.20	2	\$302.38	65	\$7.96	2 years	\$225.00
18	\$312.08	80	\$8.21	3	\$372.16	80	\$9.79	3 years	\$259.00
19	\$351.09	90	\$9.24	4	\$441.94	95	\$11.63	4 years	\$304.00
20	\$390.10	100	\$10.27	Trade rate	\$465.20	100	\$12.24	5 years or more	\$346.00
Adult	\$390.10	100	\$10.27						

Note 1: Clause 15.5.1 : Junior employees (other than office juniors). Note that junior office employees percentage range is greater, from 50% - 100% from 15 to 20 years, the comparator is a Clerical grade 1 - \$415.20: **Comparator Classification:** The comparator is to whatever is the "appropriate adult" classification for the work. In the example above the level 1 food and beverage attendant grade 1 is used as the comparator. Their duties include picking up glasses, emptying ashtrays, general assistance with food and beverages; cleaning and tidying areas. (Clause 3.1.1)

Note 2: This rate applies to Victoria only. NSW apprentices come under the State awards.

The comparator in this instance is a Cook (tradesperson) grade 3 – a 'commi chef' who completed an apprenticeship or who has passed the appropriate trade test and who is engaged to perform general or specialised cooking, butchering, baking or pastry cooking duties and/or who supervises other cooks and employees. (Clauses 3 and 18)

Note 3: Clause 36 refers traineeships to the National Training Wage Award 1994. In Schedule C to that Award, Hospitality CST – Accommodation, Hospitality CST – Food and Beverage and Hospitality CST – Kitchen Attending/Food Production are classified as Skill Level B and the corresponding rates are provided in the table.

Metal, Engineering and Associated Industries Award 1998

Junior rate (Note 1) (Note 1)				Apprenticeship rate (Note 2)				Traineeship rate (Note 3)	
Age	(\$)	(per cent)	Hourly Rate	Year of Apprenticeship	(\$)	(per cent)	Hourly Rate	Left school	Year 10 \$
Under 16	\$143.57	36.8	\$3.79	Pre Apprenticeship	-	-	-	School leaver	\$161.00
16	\$184.52	47.3	\$4.86	1	\$195.40	42	\$5.14	1 year out	\$193.00
17	\$225.48	57.8	\$5.93	2	\$255.90	55	\$6.73	2 years	\$225.00
18	\$266.44	68.3	\$7.01	3	\$348.90	75	\$9.18	3 years	\$259.00
19	\$321.83	82.5	\$8.47	4	\$409.40	88	\$10.77	4 years	\$304.00
20	\$381.13	97.7	\$10.03	Trade rate	\$465.20	100	\$12.24	5 years or more	\$346.00
Adult	\$390.10	100	\$10.27						

Metal, Engineering and Associated Industries Award 1998 – Exit from Traineeship rates

Highest year of Schooling completed	Skill Level A (Note 4)			Skill Level B		
	Year 10 \$	Year 11 \$	Year 12 \$	Year 10 \$	Year 11 \$	Year 12 \$
School leaver						
Plus 1 year out of school	230.70	282.25	328.65	241.65	269.95	310.00
Plus 2 years	282.25	328.65	381.45	269.95	310.00	362.95
Plus 3 years	328.65	381.45	Note *	310.00	362.95	Note*
Plus 4 years	381.45	Note *		362.95	Note*	
Plus 5 years or more	Note *			Note*		

Note 1: Clause 5.5.1: Unapprenticed Juniors: **Comparator Classification:** C13 – Engineering/ Production employee who has completed up to three months structured training. (Schedule D: Part 1: 1.2). Note that the C13 classification is one level above the C14 classification used as the Federal Minimum Wage equivalent as per \$373.40 per week. [Print Q6779; P1371 and Q1998. Principle 9.3 the Federal Minimum Wage Principle requires the percentage for the junior wage rates clause to be applied to that amount to calculate a minimum wage rate.

Note 2: Year 1 of the Apprenticeship - National Training Wage Award (ODN: 22543 of 1998) Traineeship Skill Level “B” exit rate

Year 2 – C14 – Engineering/Production Employee – Level 1 – has undertaken up to 38 hours induction training.

Year 3 – C13 - Engineering/Production Employee – Level 2 – has completed up to 3 months structured training.

Year 4- C12 – Engineering/Production Employee – Level 3 – has completed an Engineering Production Certificate I – (Part I: Schedule D: 1.2)

Note 3: National Training Wage Award 1994 – Skill Level B – including classifications such as the following: Advanced Engineering Traineeship Level 1 (AQF2), Advanced Engineering Traineeship Level 2, Engineering, Electronics Equipment. (Schedule C)

Note 4: Employees complete a traineeship under the terms of the National Training Wage Interim Award 1994. These rates apply after that period. (Clause 5.6)

Note *: Insert appropriate classification rate as specified in clause 5.1

Graphic Arts – General – Interim Award 1995

Junior rate (Note 1)				Apprenticeship rate (Note 2)				Traineeship rate (Note 3)	
Age	(\$)	(per cent)	Hourly Rate	Year of Apprenticeship	(\$)	(per cent)	Hourly Rate	Left school	Year 10 \$
Under 16	\$117.03	30	\$3.08						
16	\$156.04	40	\$4.11	Pre Apprenticeship				School leaver	\$161.00
17	\$195.05	50	\$5.13	1	\$198.20	47.5	\$5.22	1 year out	\$193.00
18	\$234.06	60	\$6.16	2	\$250.30	60	\$6.59	2 years	\$225.00
19	\$292.58	75	\$7.70	3	\$302.50	72.5	\$7.96	3 years	\$259.00
20	\$351.09	90	\$9.24	4	\$365.05	87.5	\$9.61	4 years	\$304.00
Adult	\$390.10	100	\$10.27	Trade rate	\$417.20	100	\$10.98	5 years or more	\$346.00

Note 1: Clause 16B – Table B4 – Junior (other than a junior artist and/or designer or a junior keyboard operator/assembler) not being an apprentice who works in the Grade level 2 area – i.e. An attendant/assistant mechanic, caster, copy holder, railway ticket printer, assistant on the printing machine etc. (Cl 16B): **Comparator Classification** : A Level 2 employee must have completed the structured training at Level 1 and have taken training in a wider range of duties and classifications. (Clause 16D) [note that Table B4 refers to the comparator group level 2A which no longer exists.

Note 2: Compared to a skilled employee working at the rate prescribed for group Level 5. (Clause 16B) An employee at this level will have achieved the comparable knowledge and standards as ratified by the National Training Board or have completed an apprenticeship. (Clause 16D(b)).

Note 3: Rates – National Training Wage Award 1994. Traineeship agreements – Skill Level B - Small Offset Printing Traineeship; Printing Production Support Traineeship; Print Design Traineeship; Graphic Arts Merchants Traineeship. (Clause 9.3 – Graphic Arts- General – Interim Award 1995).

11. ENDNOTES:

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¹ Confederation of Australian Industry August 1978 *Youth Unemployment*, A Discussion Paper Waratah Press; Bureau of Labour Market Research March 1983 *Youth Wages, Employment and the Labour Force* AGPS ISBN 0644 02601 4; *National Wage Case April 1985* Print F8100 at pp. 11-15; (1985) 297 CAR 7 at 20; *National Wage Case June 1986* Print G3600 at p. 52; *Re Wholesale & Retail Trade Junior Rates* Print G6038 December 1986 Cox C at p. 12; *National Wage Case December 1987* Print H0100 at pp. 3, 11-13; *National Wage Case April 1991* Print J7400 at p. 57; *Review of Wage Fixing Principles August 1994* Print L4700 at p. 32; *Safety Net Adjustments and Review September 1994* Print L5300 at pp. 51 and 53; *Re Furnishing Trades Award* October 1994 Print L5963; *Third Safety Net Adjustment and Section 150A Review October 1995* Print M5600 at p.88; *Safety Net Review Wages April 1997* Print P1997 at pp. 76-77, 101-102; *Re Metal Industry Award: Junior Rates*: May 1997 Lawson C Print P1371 at p. 8; *Safety Net Review Wages April 1998* Print Q1998 at pp. 68-70.

² Tables 11 and 15 ABS Labour Force Australia July 1998, ABS Cat 6203.0.

³ Burke: *Expenditure on Education and Training: Estimated by Sector and Cause in Dusseldorp Skills Forum Australia's Youth: Reality and Risk - - A National perspective on developments that have affected 15-19 year olds during the 1990s* March 1998 at p. 146 citing ABS Cat. No. 6278.0.

⁴ In Dusseldorp Skills Forum: at p. 9; and Lard T.: *Youth Incomes* at p. 127.

⁵ AYPAC Submission 32 at p. 1.

⁶ OECD Employment Outlook June 1998 *Getting started, settling in: the transition from education to the labour market* at pp. 81-122. See also OECD Employment Outlook July 1996 *Growing into Work: Youth and the Labour Market over the 1980s and 1990s* at pp. 104-159.

⁷ Ibid: OECD Employment Outlook June 1998 at pp. 111-112.

- ⁸ See generally Borland and Woodbridge (1998) *Wage Regulation Low-Wage Workers, and Employment* Paper for Australian Competition and Consumer Commission published by Centre for Economic Policy Research: Table 3.2 lists several recent studies of Australian experience.
- ⁹ *Review of the Children (Care and Protection) Act 1987* December 1997 Legislation Review Unit; Department of Community Service at 240-242.
- ¹⁰ The *Industrial Relations Reform Act 1993*: subsection 3(g), section 170BA, paras 170CA(2)(a) and 170DF(1)(f): prohibition on termination of employment for reasons that include age; subsections 170MD(5) and (6): certifications of agreement to be refused if provision discriminates against employee for reasons of age, not based on inherent requirements of employment; subsection 170ND(10): in respect of enterprise flexibility agreements; subsection 150A(4): review of awards to remove discriminatory provisions; regulation 26A: prescribed award review procedure.
- ¹¹ *Industrial Relations Amendment Act (No. 2) 1994* inserting section 90AB and varying section 150A, subsections 170MD(5A) and 170ND(10).
- ¹² Subsection 3(j), paragraphs 88B(3)(e), 143(1C)(f), 143(1D)(a), subsections 143(1E), 170LU(5), (6) and (7); *Workplace Relations and Other Legislation Amendment Act 1996* Schedule 5: items 49(8)(f), 51(7)(f) and 54(1) and (2).
- ¹³ See references at endnote 1 above.
- ¹⁴ For example *Wacando v Commonwealth* (1981) 148 CLR 1 at 25-27 per Mason J.
- ¹⁵ *Victoria v The Commonwealth (the Industrial Relations Act Case)* (1996) 187 CLR 416 especially at 504-510, and 529-532.
- ¹⁶ Article 7(a)(i) *International Covenant of Economic Social and Cultural Rights*: reproduced in Schedule 8 of *Industrial Relations Act 1988* inserted by Act No. 8 of 1993.
- ¹⁷ United Nations Convention on the Rights of Child; ILO Minimum Age Convention, 1973 (No. 138).
- ¹⁸ ILO Convention 138 Articles 2 and 3.
- ¹⁹ Print J7400.
- ²⁰ Pitman: *The Determination of Junior Wage Rates in Australia: Needs, Work Value and Employment* Bureau of Labour Market Research August 1983 - Attachment 3 to Submission 36: Labour Council of New South Wales.
- ²¹ ACCI Submission 49 at pp. 13-18.
- ²² Youcef Ghellab: *Minimum Wages and Youth Unemployment* ILO Geneva: 1998 Employment and Training Paper 26.
- ²³ See generally Creighton B.: *ILO Convention No. 138 and Australian Law and Practice Relating to Child Labour* Australian Journal of Human Rights (1996) 293 at 297, 301, 304 - 309; and Kalisch D., Williams L., *Discrimination in the Labour Force at Older Age* Working Paper No. 17 Bureau of Labour Market Research (1983) at 1.
- ²⁴ Kalisch and Williams *ibid* at p. 1.
- ²⁵ Kalisch *ibid* at p. 2; *Industrial Relations Act Case* at p. 531.
- ²⁶ Kalisch *ibid*; Encel and Studencki: *Over the Hill or Flying High. An analysis of age discrimination complaints in NSW*. Social Policy Research Centre UNSW August 1998 at pp. 6-7, 9.
- ²⁷ Joint Governments' Submission 38 at p. 104.
- ²⁸ Submission 46 Australian Democrats at p. 5, referring to White R. with Aumain M., Harris A., and McDonnell L.: *Any Which Way You Can: Youth Livelihoods, Community Resources and Crime*, Sydney Australian Youth Foundation, 1997. The more informative reference would have been White R.: *Young People, Wages Work and Exploitation*, Journal of Australian Political Economy No. 4 December 1997 61 at 63.
- ²⁹ Print P1297 at p. 17.
- ³⁰ Thus, Higgins J in *Whybrow* made one of the first attempts to establish an age based scale of rates for both apprentices and "lads": *Australian Boot Trade Employees Federation v Whybrow* (1910) 4 CAR 1 at 15-21, 35, 41, 45.
- ³¹ In particular the Housing Industry Association Submission 19 at p. 3; Master Builders' Association Australia Submission 30 at p. 2; Master Builders' Association of Western Australia Submission 22 at p. 2.
- ³² *Australian Workers Union v Pastoralists Federal Council of Australia* (1907) 1 CAR 62 at 105; *Harvester Case* (1907) 2 CAR 1 at 25.
- ³³ Attachment A: Joint Governments' Submission at p. 3.

- ³⁴ *Conspectus of Extracts of Selected Awards Containing Junior Rates*: Australian Industrial Relations Commission's Research, Information and Advice Branch December 1998 at <http://www.airc.gov.au>.
- ³⁵ *Examination of 274 Certified Agreements with Junior Rates Provisions using Ages 16 and 17, and without Apprenticeship or Traineeship Provisions*: Australian Industrial Relations Commission's Research, Information and Advice Branch December 1998 at <http://www.airc.gov.au>.
- ³⁶ *King v Jones* (1972) 128 CLR 21 at 239, 245, 268.
- ³⁷ The age of majority in all States and Territories is 18 years: (ACT) *Age of Majority Act 1974* section 5, (NT) *Age of Majority Act 1974* section 4, (NSW) *Minors (Property and Contracts) Act 1970* section 9, (QLD) *Age of Majority Act 1974* section 5, (SA) *Age of Majority (Reduction) Act 1971* section 3, (TAS) *Age of Majority Act 1973* section 3, (VIC) *Age of Majority Act 1977* section 3, (WA) *Age of Majority Act 1972* section 5.
- ³⁸ *Award Simplification Test Case* Print P7500 at p. 15. See also endnote 47.
- ³⁹ *Re Metals, Engineering and Associated Industries Award* Print P9311 at pp. 25-26.
- ⁴⁰ Clause 5.5.1: "Unapprenticed Juniors" are related to classification C13: Engineering/Production employee who has completed up to three months structured training. (Schedule D: Part 1: 1.2). Note that the C13 classification is one level above the C14 classification used as the Federal Minimum Wage equivalent at per \$373.40 per week. Prints Q6779; P1371 and Q1998. Principle 9.3 the Federal Minimum Wage Principle requires the percentage for the junior wage rates clause to be applied to that amount to calculate a minimum wage rate.
- ⁴¹ Clause 15.5.1: "Junior employees (other than office juniors)". The comparator is to whatever is the "appropriate adult" classification for the work. In the example above the Level 1 Food and Beverage Attendant Grade 1 is used as the comparator. Their duties include picking up glasses, emptying ashtrays, general assistance with food and beverages; cleaning and tidying areas. (Clause 3.1.1).
- ⁴² "Juniors", who are related to the comparator Retail Worker Grade 1; which means a shop assistant, a sales person, an assembler, a demonstrator, a ticket writer, a window dresser, a merchandiser and all others. (Clause 4).
- ⁴³ Thus in the Metal Trades Award the relevant comparator had been at various times classification 292: "employee, n.e.i."; classification 290: "Production Worker"; and most recently, in the current award, classification C13: the Engineering Production Worker after three months experience; *Re Metal Trades Award 1969* Print B4611; (1971-72) 127 CAR 664 - Moore, Williams JJ and Taylor C on appeal from Winter C; *Re Metal Industry Award: Junior Rates* Print P1371 per Lawson C.
- ⁴⁴ NSW Anti-Discrimination Board Submission 34 at page 4 (adapted freely).
- ⁴⁵ Industrial Information Digest 1967 at p. 1021 ff.
- ⁴⁶ In the *Liquor Act 1982 (NSW)* a minor is described as a person who has not attained the age of 18. Section 114(1) states that a person shall not, in any place whether or not licensed premises, sell or supply liquor to a person under the age of 18 years. Section 116 states that except where the Board has given its consent (proof whereof lies on the defendant) a licensee shall not allow a person under the age of 18 years to sell, supply or serve liquor on his or her licensed premises.
- ⁴⁷ For example Dethridge CJ in the *Commercial Printing Award Case* (1934) 33 CAR 581 at 583 noted "high rates for juniors are frequently claimed by unions to promote the employment of adults". But added that the same objective could best be achieved by the award prescription of the proportion of juniors to be employed. In the simplified Metal Engineering and Associated Industries Award in March 1998, Marsh SDP allowed clause 4.2.6(a) excluding the employment of unapprenticed juniors in a trade or occupation declared or recognised by an Apprenticeship Authority [Print P9311 at pp. 22-25].
- ⁴⁸ NSW Pharmacy Guild Submission 10; see also award provisions listed in Appendix 3.
- ⁴⁹ Some of the possibilities are illustrated in White and Others: *Any Which Way You Can* op.cit. at p.35 in relation to the informal waged economy.
- ⁵⁰ Submission 38 Attachment B, main submission at p. 8.
- ⁵¹ Appendix 3 lists several such award provisions.
- ⁵² ACCI Submission 49 at pp. 37 and 86-93; ARA Submission 23 at pp. 25 and 79.
- ⁵³ MBWA Submission 22 at p. 4.
- ⁵⁴ Queensland Government Submission 33 at pp. 10 and 16.

- ⁵⁵ *Re Furnishing Trades Award* Print M7824, 20 December 1995 per O'Connor P, Watson DP and Merriman C at p. 6; see also *National Training Wage Award* Prints L5188 and L5189, award code N02277CR.
- ⁵⁶ In Dusseldorp Skills Forum: *Australia's Youth: Reality and Risk - A National perspective on developments that have affected 15-19 year olds during the 1990s* March 1998 at pp. 12-13.
- ⁵⁷ Paragraph 143(1D)(b) and subsection 170LU(6) of the Act; item 54(1)(b) of Schedule 5 of the WROLA Act.
- ⁵⁸ Subsections 143(1E) and 170LU(7) of the Act; item 54(2) of WROLA Act.
- ⁵⁹ Examples not specifically mentioned have included the ACOSS Submission 35 which has undertaken to propose a model for discussion; Senator Stott Despoja on behalf of the Australian Democrats Submission 46.
- ⁶⁰ Labor Council of NSW Submission 38 at p. 8.
- ⁶¹ SDAEA Submission 54 at p. 12.
- ⁶² AYPAC Submission 32 at p. 2; State of Queensland Submission 33 at p. 10.
- ⁶³ JGS Submission 38 Chapter 6 at p. 99.
- ⁶⁴ Refer NSW Government Submission 52 at p. 4: compare ACCI Submission 49 at pp. 90-93.
- ⁶⁵ Higgins J denounced a scheme of "experience" progression and "improver" rates when he first unsuccessfully introduced apprentices and age based rates into the Boot Trades award. Thus, Higgins J in *Whybrow* made one of the first attempts to establish a joint age based scale of rates for apprentices and "lads": *Australian Boot Trade Employees Federation v Whybrow* (1910) 4 CAR 1 at 15-21, 35, 41, 45.
- ⁶⁶ ARTBIU Submission 12 at paragraph 2.1 MBAWA Submission 22 at pp. 4-5.
- ⁶⁷ *Youth Employment: A Working Solution* (Report by the House of Representatives Standing Committee on Employment, Education and Training – September 1997)
- ⁶⁸ HRSCEET: *ibid* at p. 70.
- ⁶⁹ Ghellab, Y., 'Minimum Wages and Youth Unemployment' *Employment and Training Papers 26* (International Labour Office, Employment and Training Department) at 32.
- ⁷⁰ *The National Minimum Wage* First Report of the Low Pay Commission at pp.4-5.
- ⁷¹ *Ibid* at p. 89.
- ⁷² *Ibid* at p. 79.
- ⁷³ The Government's Response to the First Report of the Low Pay Commission: 18 June 1998: Department of Trade and Industry: <http://lowpay.gov.uk>.
- ⁷⁴ Report of the National Minimum Wage Commission 1998 referred to in Joint Governments' Submission.38 at pp. 85-86; and see also the *Interim Report of the Inter-Departmental Group on Implementation of a National Minimum Wage* October 1998, Government of Ireland at pp. 19-20.
- ⁷⁵ *Employment Outlook* at p. 32.
- ⁷⁶ ABS Catalogue 6203.0 - September 1998.
- ⁷⁷ Joint Governments' Submission 38 at pp. 15-16.
- ⁷⁸ ACCI Submission 49 at p. 50.
- ⁷⁹ State of Queensland Submission 33 at p. 2.
- ⁸⁰ Wooden *The Youth Labour Market: Characteristics and Trends* Australian Bulletin of Labour Vol 22 No. 2 June 1996 at p. 149; see also Wooden *The Labour Market for Young Australians* in Dusseldorp Skills Forum op.cit. at p. 29ff.
- ⁸¹ Productivity Commission Staff: Research Paper: *Youth Wages and Employment* October 1998 at p. 9.
- ⁸² Joint Governments Submission 38 at p.37.
- ⁸³ AMWU Submission 48 at pp. 7-9.
- ⁸⁴ ABS Catalogue No. 6306.0 May 1996.
- ⁸⁵ Table 2 from Joint Governments' submission 38 at p. 12 modified by adding the "all industries" totals calculated in that submission and based on use of the National Centre for Vocational Education Research Limited (NCVER) estimate of apprenticeship and traineeship instead of the ABS EEH Survey figures for apprentices and trainees used in the industry breakdown.
- ⁸⁶ ABS Catalogue 6203.0 - September 1998 at p.3.
- ⁸⁷ *Ibid* at Table 24.
- ⁸⁸ *Ibid* at Table 24.

- ⁸⁹ ACCI Submission 49 at Table 2 of Attachment 3.
- ⁹⁰ ABS Catalogue 6203.0 at Table 24.
- ⁹¹ 1.12 HRCSEET Report September 1997.
- ⁹² Australian Rail, Tram and Bus Industry Union Submission 12 at pp. 8-10.
- ⁹³ Community and Public Sector Union Submission 40.
- ⁹⁴ Ministerial Discussion Paper June 1998 p.16.
- ⁹⁵ Joint Governments' Submission 38 at p. 38.
- ⁹⁶ First Report of the Low Pay Commission - *The National Minimum Wage* June 1998 at paragraph 5.
- ⁹⁷ Recommendation 5.3 HRSCEET Report at p. 91 paragraphs 5.69 - 5.73.
- ⁹⁸ ACCI Submission 49 at p. 23ff; Joint Governments' Submission 46 Chapter 4; Australian Retailers Association Submission 23 at pp. 25-28.
- ⁹⁹ Card D. and Kruger A.B. "*Myth and Measurement: The New Economics of the Minimum Wages*" Princeton 1995.
- ¹⁰⁰ Apart from the texts directly cited in the following paragraphs see in particular: Borland J. and Woodbridge G.: *Wage Regulation, Low-Wage Workers and Employment* 1998 Australian National University Centre for Economic and Policy Research; Debelle G., Borland J. (eds): *Unemployment and the Australian Labour Market* Conference Economic Group, Reserve Bank of Australia and Centre for Economic and Policy Research, Australian National University 1998 at pp. 85-91, 311-313, 317, 319; Groom P., Parsch H.: *The Effect of the Minimum Wage of the Distribution of Teenage Wages* Discussion Paper 97-02, Department of Economics, University of Columbia; OECD Submission to Irish National Minimum Wage Commission: *Labour Market and Social Policy* Occasional Paper 28 1997 at pp. 16-20; OECD Submission to United Kingdom Low Pay Commission: *Labour Market and Social Policy* Occasional paper 29 at pp. 15-17; Mangan J. and Johnston J.: *Minimum Wages, Training Wages and Youth Employment* December 1997, University of Queensland at pp. 15-16.
- ¹⁰¹ OECD Employment Outlook, June 1998 at p. 46.
- ¹⁰² Ibid at pp. 47-48.
- ¹⁰³ Low Pay Commission: ibid at paragraphs 6.19, 6.66 to 6.87.
- ¹⁰⁴ Report of the National Minimum Wage Commission April 1998 at p. 31.
- ¹⁰⁵ Print Q1998 at Attachment C.
- ¹⁰⁶ Ibid at p. 104; and see also Joint Governments' Submission 38 at Chapter 4.3.
- ¹⁰⁷ HRSCEET op.cit. at p. 91.
- ¹⁰⁸ Productivity Commission: Staff Research Paper: *Youth Wages and Employment* at p. 39.
- ¹⁰⁹ Productivity Commission: op.cit. at p. 43.
- ¹¹⁰ Ibid at pp.62-65.
- ¹¹¹ Joint Governments' Submission 38 at p. 53.
- ¹¹² Junankar P.N., White M. and Bellchamber G.: *The Youth Labour Market: Anecdotes, Fables and Evidence* November 1998. Paper presented to Joint Workshop Centre for Economic Policy Research, Australian National University and Productivity Commission.
- ¹¹³ Card and Kruger op.cit. at p. 393.
- ¹¹⁴ SDAEA Submission 54 at p. 3.
- ¹¹⁵ See rates for SDAEA Victorian Shops Interim Award 1994 clause 4 at Appendix 1 and Note 14 to that Appendix.
- ¹¹⁶ ARA Submission 23 at p. 36.
- ¹¹⁷ SDAEA Submission 54 at p. 4.
- ¹¹⁸ Print P1997 at p. 28.
- ¹¹⁹ Dusseldorp Skills Forum at p. 12.
- ¹²⁰ Australian Democrats Submission 46 at pp. 4-7.
- ¹²¹ ACCI Submission 49 at p. 33; McDonald's Submission 21 at p. 20.
- ¹²² SDAEA Submission 54 at p. 12; Labor Council of NSW Submission 36 at p. 18.
- ¹²³ ARTBIU Submission 12 at pp. 7-12; CPSU Submission 40, referred to at paragraph 4.2.11.
- ¹²⁴ MBA Australia Submission 30 at p. 3.
- ¹²⁵ MBWA Submission 22 at pp. 5-6; Housing Industry Association Submission 19 at p. 4.
- ¹²⁶ McDonald's Submission 21 at p. 4; Joint Governments' Submission 38 at pp. 49, 96; ACCI Submission 49 at pp. 84-85.

¹²⁷ MBA Australia Submission 30; MBAWA Submission 22.

¹²⁸ NCYLC Submission 16 at p. 2.

¹²⁹ R&CIA Submission 15 at p. 3; J. Murray Submission 24.

¹³⁰ State of Queensland Submission 33 at pp. 16-17.

¹³¹ These include in particular the NSW Department of Industrial Relations on behalf of the State of NSW Submission 52 at pp. 4-5.

¹³² Ibid at p. 5.