

Calculating the budget required to participate in the program.

Weekly Rate:

The wage subsidy provided by the Regional Youth Traineeship Program of **\$14,500 per annum** equates to \$278 per week and when allowing 20% for on-costs, the weekly wage subsidy is approximately **\$223.00 per week**.

The Council wage contribution in this Program will vary depending on: the highest level of schooling completed by the person commencing the traineeship; the number of years they have been out of school; and the certificate III qualification role selected for the position.

The estimates provided below are based on the two state-based awards for the local government sector operational from 1 July 2016. ([South Australian Municipal Salaried Officers Award](#)-Schedule 5 (SAMSOA) and [Local Government Employees Award](#) – Schedule 9 (LGEA). Please note that both awards are the same regarding trainee wage rates.)

If a traineeship role (training package) cannot be found in the wage level tables in the above awards, the role may be under a Federal award, e.g. Traineeships that involve the Civil Construction training package full under a Federal Award.

Example 1

Carly is 19 years old, completed year 12 two years ago and is to complete a Certificate III in Business Administration. Carly is entitled to a minimum weekly rate of **\$470** as the qualification falls under Wage Level A in the two awards and she is more than 1 year out of school, but not more than two years out of school. Therefore council contribution will be **\$236pw** (\$459-\$223). The wage will not increase except for State Wage increases.

Example 2

Liam is 18 years old, completed year 12 one year ago and is to complete a Cert III in Civil Construction Plant Operations. Liam is entitled to a minimum weekly rate of **\$396.50** as the qualification falls under the [Federal Building & Construction General On-Site Award 2010](#), wage level A and he is less than one year out of school. Therefore council contribution will be **\$173.50pw** (\$396.50-\$223). The wage will not increase except for Federal Wage increases.

Annual or Two Year Cost:

Another way to budget for a position in the program is to look at the annual cost for the position or, as the funding agreement is for two years, the cost for the position over two years.

The annual salary (assuming 20% on-costs) to employ a Civil Works/ Maintenance trainee under the current Federal award for civil construction trainees given in example 2 would be **\$24,741.60**. (I.e. \$396.50 per week multiplied by 52 weeks, plus 20% for on-costs.)

The two year salary for a trainee undertaking a 36 month Cert III Civil construction traineeship based on above annual cost would then be **\$49,483.20**

The regional youth traineeship program provides a wage subsidy of **\$29,000** over two years.

The **wage gap** to be contributed by council for this Program for the above trainee over the two year program, would then be **\$20,483.20** (\$49,483.20-\$29,000.00). With Employer incentives outlined below, the total cost would however be **\$15,283.20**

Options for training delivery:

- Cert III in Civil Construction Plant Operations traineeship (36 months).
 - Local delivery using council equipment at a cost of **\$3,000** under TAFE ONLY WorkReady subsidy (\$2.90/hr for approximately 1000 hrs, dependent on units selected in the training delivery.)
 - Other training providers are charging upwards of **\$20-30,000**
- Based on above scenario using TAFE as the provider:

- Salary gap to be met by council for the trainee over two years = **\$20,483.20**
- Training delivery costs for 3 year traineeship = **\$3,000**
- Australian Apprenticeship (Contract of training) Employer incentive = **-\$4000**
- Construction Industry Training Board (CITB) Employer Incentive = **-\$4,200** (\$6,300 over 3 years)

TOTAL maximum cost for council to find in budget over two years for Cert III Civil Works Trainee is \$15,283.20. (or \$7,641.60 annually).

(NB. In the third year of the traineeship, council would need to budget for the unsubsidised wage of \$24,741.60. However, all training costs would have been met and the CITB incentive for the third year of \$2,100 would reduce this to **\$22,641.60**.)

Group Training Organisation (GTO) Option

If your council chooses to use a Group Training Organisation (GTO) to employ the trainee, the GTO will provide a weekly charge out rate for the trainee (the rate may or may not include the cost of delivering training, depending on the arrangement you have agreed upon).

You should clarify with the GTO what the wage cost will be if you are budgeting to accommodate the wage gap from this Program.

GTOs employ the trainee and pay the salary (including leave), work cover and all payroll / HR / WHS requirements. They can also provide a recruitment service, liaise with training providers, arrange the contract of training and training plan and provide on-going mentoring and support for the duration of the traineeship. (Should the trainee not be suitable for the

workplace, they can also recruit quickly for a replacement.) This is done in consultation with you.

GTOs can provide councils with a weekly charge out rate that encompass all or some of the above at a competitive rate.

Council Traineeship Wages

Disclaimer: This guide is presented to assist councils in the consideration of employing a Trainee position through the Regional Youth Traineeship Program (RYTP) and does not in any way substitute for the need for professional and/or legal advice on the correct wages and entitlements to be paid to a prospective trainee.

Users of this guide are advised that no warranties are given in relation to the accuracy of the information provided and specific advice is recommended.

RYTP Position Criteria

The employed position in the Program, commencing as a traineeship, will meet the following criteria:

- Are either unemployed or previously not employed on a permanent full-time basis for longer than six months and range from ages 17 to 24.
- The duration of time since leaving school, highest school level achieved and previous qualifications can vary, however the maximum qualification previously achieved will be no higher than Certificate III.
- Are South Australian residents and not previously been an employee of the sector.

The traineeship is full-time, based on 37.5 ordinary hours per week, with 20% of ordinary hours being approved training

The traineeship qualification to be undertaken must be at a Certificate III level, however the duration of the traineeship may vary between 1 and 3 years.

Please contact Natasha Black, Acting Regional Youth Traineeship Program Coordinator T. 8224 2013 natasha.black@lga.sa.gov.au if you have any queries in relation to the Program.

Introduction

The employment of a trainee is covered under the Training and Skills Development Act 2008 and obligations on employers are different from employing an employee under the Fair Work Act 1994. The core difference is that an employer cannot dismiss a trainee without the approval of the Training and Skills Commission unless within the period of probation (which varies between one and three months, depending on the traineeship entered into).

Pay & Conditions

Most councils will have an enterprise agreement which may, or may not, apply to a trainee¹. It is recommended council receives some specific advice on their obligations; however, in brief the following three scenarios are likely:

1. Under *Scope and Persons Bound, the relevant enterprise agreement specifically excludes trainees and apprentices, in which case, only the ²Award provisions apply;
2. Under the Scope and Persons Bound, the relevant enterprise agreement does not specifically exclude trainees and apprentices but the wage schedule does not mention them, then the Award rates of pay applies, but the conditions of the enterprise agreement (e.g. hours of work) does apply. Please note though, if your EBA simply provides for a percentage above Award rate rather than a specified wage schedule, then the over-award component will apply to the trainee or apprentice;
3. Under the Scope and Persons Bound, the relevant enterprise agreement does not exclude trainees and apprentices and there is a determined rate of pay in the wages schedule, which will then apply.

* If you are unsure, please contact LGA on 8224 2000 and request to be put through to Rowena McLean.

Copies of the two awards (SAMSOA and LGEA) can be obtained from www.industrialcommission.sa.gov.au for State-based employees (i.e. Local Government Act entities).

The wage subsidy provided from the Regional Youth Traineeship Program of \$14,500 per annum equates to \$278 per week. Allowing 20% for on-costs, the weekly wage subsidy is approximately **\$223.00** per week. The Council wage contribution in this Program will vary depending on the highest level of schooling completed by the trainee, the number of years they have been out of school and the certificate III qualification type.

Using the July 2016 Award tables and Section A tables below, we have provided two examples that you may find of use in calculating the wage gap for the RTYP:

Example 1

Michelle is 18 years old, completed year 11 over two years ago and is to complete a Certificate III in Business Administration. Using Section A wage level tables below, Michelle is entitled to a minimum weekly rate of \$470.00 as the qualification falls under Wage Level A. Therefore Council contribution will be \$247pw (\$470-\$223). The wage will increase each year of the traineeship and if award rates rise.

Example 2

Brad is 23 years old and completed year 12 in 2010 and is to complete a Certificate III in Horticulture. Using Section A wage level tables below, Brad is entitled to a minimum weekly rate of \$551 as the qualification falls under Wage Level C and is

¹ If your Council chooses to use a Group Training Organisation (GTO) to employ the trainee, the GTO will provide a weekly charge out rate for the trainee (the rate may or may not include the cost of delivering training, depending on the arrangement you have agreed upon). You should clarify with the GTO what the wage cost will be if you are budgeting to accommodate the wage gap from this Program.

² Award' refers to the State-based Awards for the sector in SA. The two awards are the South Australian Municipal Salaried Officers Award (SAMSOA) and the Local Government Employees Award (LGEA), 1 July 2016 revision.

more than 5 years out of school. Therefore Council contribution will be \$328pw (\$551-\$223). The wage will not increase except for State Wage increases.

As at 01 July 2015, both State Awards (LGEA and SAMSOA) were harmonised on traineeship rates as follows:

Wage Level A

Where the accredited training course and work performed are for the purpose of generating skills, which have been defined for work at Wage Level A.

	Highest year of schooling completed		
	Year 10	Year 11	Year 12
	\$	\$	\$
School Leaver	242.00 (50%)*	302.00 (33%)	
	282.00 (33%)	339.00 (25%)	
	309	339	407
Plus 1 year out of school	339	407	470
Plus 2 years out of school	407	470	549
Plus 3 years out of school	470	549	628
Plus 4 years out of school	549	628	
Plus 5 or more years	628		

* allows for a reduced wage where the trainee requires more than the usual amount of time for 'off-the-job' training (50%, 33% or 25%).

Wage Level B

Where the accredited training course and work performed are for the purpose of generating skills, which have been defined for work at Wage Level B.

	Highest year of schooling completed		
	Year 10	Year 11	Year 12
	\$	\$	\$
School Leaver	242.00 (50%)*	302.00 (33%)	
	282.00 (33%)	339.00 (25%)	
	309	339	392
Plus 1 year out of school	339	392	453
Plus 2 years out of school	392	453	530
Plus 3 years out of school	453	530	604
Plus 4 years out of school	530	604	
Plus 5 or more years	604		

* allows for a reduced wage where the trainee requires more than usual 'off-the-job' training

Wage Level C

Where the accredited training course and work performed are for the purpose of generating skills, which have been defined for work at Wage Level C.

	Highest year of schooling completed		
	Year 10	Year 11	Year 12
	\$	\$	\$
School Leaver	242.00 (50%)*	302.00 (33%)	
	282.00 (33%)	339.00 (25%)	
	309	339	392
Plus 1 year out of school	339	392	442
Plus 2 years out of school	392	442	495
Plus 3 years out of school	442	495	551
Plus 4 years out of school	495	551	
Plus 5 or more years	551		

** allows for a reduced wage where the trainee requires more than usual 'off-the-job' training*

Section A

Allocation of Traineeships to Wage Levels

Part A, New Training Package Titles

Wage Levels that apply to Certificates under Training Packages

Wage Level A

(This Award does not apply to these traineeships where another Award already provides for the traineeship.)

Training package	Certificate level
Administration	I
	II
	III
Assessment and Workplace Training	III
Business Services	I
	II
	III
Community Services	II
	III
Correctional Services	III
Financial Services	III
Floristry	III
Food Processing Industry	III
Hospitality Industry	III
Information Technology	II
	III
Local Government (Environmental Health & Regulation)	II
	III
Local Government (Governance & Administration)	I
	II
	III
Local Government (Government)	II
	III
Museum and Library/Information Services	II
	III
National Public Services	II
	III
Public Services	II
	III
Retail	III

Wage Level B

(This Award does not apply to these traineeships where another Award already provides for the traineeship.)

Training package	Certificate level
Asset Maintenance	II
	III
Asset Security	I
	II
	III
Hospitality Industry	I
	II
National Community Recreation Industry	II
	III
National Fitness Industry	II
	III
National Outdoor Recreation Industry	II
	III
National Sport Industry	I
	II
	III
Public Safety	II
Printing and Graphic Arts	II
Retail	II

Wage Level C

(This Award does not apply to these traineeships where another Award already provides for the traineeship.)

Training package	Certificate level
Agriculture	I
	II
	III
Horticulture	I
	II
	III