



## Fact sheet

# Competency based wage progression and institutional training

Competency based wage progression (CBWP) identifies the minimum training requirements (level of competency) for an apprentice\* to enter/progress to each stage of an apprenticeship. Generally, four stages are identified in the modern award, and wage progression occurs when:

- the required percentage of competencies (or competency points) for the qualification has been attained; or
- after 12 months employment in a stage (whichever occurs first).

### **Determining competency**

The definition of 'competency' for the purpose of the training package and for CBWP is: 'The consistent application of knowledge and skill to the standard of performance required in the workplace. It embodies the ability to transfer and apply skills and knowledge to new situations and environments.'

The apprentice's level of competency will be determined by the training provider in conjunction with the employer and the apprentice. The training provider, in keeping with Australian Quality Training Framework requirements, should inform the employer and the apprentice of the result of any assessment conducted.

The CBWP provision indicates that the relevant wage rate for the next stage applies if either:

- the training provider, the employer and the apprentice agree that the abovementioned requirements have been met; or
- the employer has been provided with written advice that the training provider has assessed that the apprentice meets the requirements of the relevant units of competency for the stage and the employer has not advised the training provider or the apprentice of any disagreement with that assessment within 21 days of receipt of the advice from the training provider.

### **Disagreement about an apprentice's level of competence**

For the purposes of CBWP, if an employer disagrees with the assessment of the training provider and the dispute cannot be resolved by agreement between the training provider, the employer and the apprentice, the matter may be dealt with in accordance with the Dispute Resolution clause in the relevant award. The resolution process may include presentation before the Fair Work Commission.

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## **CBWP and institutional training**

Under the provisions of CBWP, the starting wage level of an apprentice is determined by the percentage of competencies (or competency points) gained prior to commencement of an apprenticeship. When an apprentice, employed under a modern award with the CBWP provision, enters into a training contract, units gained institutionally cannot be used for wage progression until:

- the apprentice has completed nine months of employment under that training contract; or
- the apprentice has completed a period of employment that may be less than nine months, if mutually agreed by the employer and the apprentice.

Please note: units of competency gained ‘institutionally’ means those units gained as part of a qualification, such as a pre-apprenticeship course, where the person was a student at an institute but not an apprentice employed under a training contract. When the apprentice has completed the nine months of employment or the agreed period of employment, the apprentice will progress through the wage structure as stated in the award.

## **Using the training plan to track progression**

The training plan developed by the nominated training provider in collaboration with the employer and the apprentice is the schedule for achieving competence, and is a critical component of determining wage progression. Under the *Vocational Education and Training (General) Regulations 2009*, a complying training plan states:

- the approved vocational education and training course the apprentice is undertaking according to the training contract;
- the training delivery and assessment, both on the job and off the job, that will be provided to the apprentice;
- when, where and how the training and assessment will be provided to the apprentice; and
- who (employer and/or training provider) will provide the training and assessment to the apprentice.

The sequencing of units of competency will identify the stage/year of the apprenticeship. The identified stage/year of training will reflect the progression points/stage for CBWP.

## **Industrial relations information**

Two different industrial relations systems operate in Western Australia; the State system and the national system. The State system applies to non-constitutional corporations. These include sole traders, partnerships, trusts and some State Government public sector employers and corporations whose main activity is not trading or financial.

The national system covers the majority of Australian workplaces and applies to employees of businesses that are constitutional corporations (such as a Pty Ltd). Several modern awards under the national system provide CBWP for apprentices. Confirmation of award provisions can be obtained by contacting the Fair Work Ombudsman on 13 13 94.

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It is the employer's responsibility to meet all legal requirements regarding the apprentice, including the apprentice's wages and conditions under the relevant employment arrangements.

Please note: the Apprenticeship Office does not have any authority over apprenticeship wages and/or employment conditions and is therefore unable to provide advice on award matters, wages or entitlements.

*\*The term 'apprentice' covers apprentices, trainees, cadets and interns.*

Disclaimer: The Department of Training and Workforce Development registers and administers training contracts and regulates the apprenticeship system in Western Australia consistent with Part 7 of the Vocational Education and Training Act 1996 and Part 4 of the Vocational Education and Training (General) Regulations 2009.

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