



Construction Industry Snapshot

Western Australia

January 2014

Published by the Construction Training Council



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This report is published on a bi-monthly basis.

Although this report is dated January 2014, it should be noted that data is taken from various sources that are, in some cases, related to previous monthly/quarterly results if they are the most recent.

ABS Data relates to the most recent quarters/months of 2012/13. In this version of the 'Snapshot' care must be taken when interpreting any comparison of data from different quarters or months.

Unless otherwise stated, all apprenticeship and overall training data was current from the TRS datacube as at end of October 2013.

All interpretations and conclusions drawn from this data are those of the Construction Training Council.



1. Executive Summary

This report provides up-to-date data on economic, employment and training issues affecting the Construction Industry in Western Australia.

The Construction Industry contributes almost 12% of the Gross State Product and currently employs 10.57% (Annualised) of the State workforce.

There were 145,730 people working in the Construction Industry as at November 2013, with an annualised average of 139,100 in the previous twelve month period. The Industry workforce rose by 1,080 in the last quarter and has overtaken the previous highest figure of 139,200 which was recorded back in May 2011.

On a year to year comparison up to the end of October 2013 there was a 12.5% increase in Construction apprentice commencements (excluding Electrical) but a significant reduction in Electrical apprentice commencements of 21.12%¹.

As at October 2013, the Industry including electrical, employed 40% of all Western Australia's apprentices².

Western Australia's estimated resident population grew by 3.3 % for the year to June 2013. This figure compares favourably with Queensland (2.0%) and the ACT (2.2%). The Western Australian unemployment rate increased to 4.7% during December 2013 up from 4.3% in November 2013. This still compares favourably to the National rate of 5.8%. The seasonally adjusted participation rate in Western Australia increased to 68% in December 2013 up from a rate of 67.8% in November 2013.

It is estimated that approximately 25,000 Construction Industry employees are working on Resource Industry infrastructure construction projects.

The value of Residential and Non-Residential Construction Work, excluding Heavy Engineering, in the year to September 2013 increased by 5.22% compared to September 2012³. The Engineering Construction sector, excluding Heavy Engineering, increased by **8.85%*** in Western Australia between September 2012 and September 2013.

The Housing sector has in recent months recovered with annual dwelling unit approvals to November 2013 at 27,365 (21,780 houses), compared to a previous peak of 27,181 (21,947 houses) at November 2006⁴.

Seasonally adjusted, building approvals for all dwelling units increased by 3.96% between October and November 2013. There was an 8.97% increase over the three months to November 2013. This was in sharp contrast to a decrease of 42.71% in April 2012 which was partially attributed to changes in the approvals process.

Trend building approvals in Western Australia increased by 0.6% between October 2013 and November 2013 and rose by 26.7% over the year.

Seasonally adjusted, dwelling commencements increased by 3.95% in the quarter to September 2013; however, on an annualised basis compared to September 2012 commencements have increased by 37.65%.

***Note:** This figure is derived from ABS data that is currently not available for publication. Please see note 8 on page 6 for explanation.

¹ TRS Datacube

² Using comparison to 'All Industries' data TRS Cube

³ ABS 8755.0 and 8762.0 Construction & Engineering Work Done

⁴ ABS 8731.05 (Seasonally Adjusted)

2. The Workforce

WORKFORCE IN CONSTRUCTION

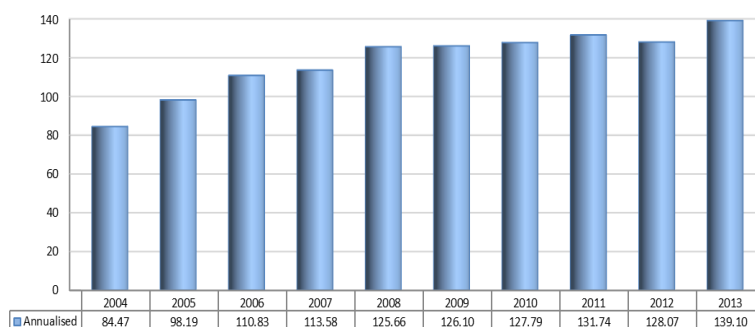
+8.62%

(Annualised)
(12 months compared to previous 12 months)

128,070
Nov 2012

139,100
Nov 2013

Employed in WA Construction Industry (000's)
(Annualised Average)



ABS 6291.0.55.003

	Annualised ⁵	3 Months ⁶
% Change over Period	+8.62%	+0.74%

The industry currently employs 10.57% of the State workforce.

TRADESPEOPLE IN CONSTRUCTION (Excluding Electricians)

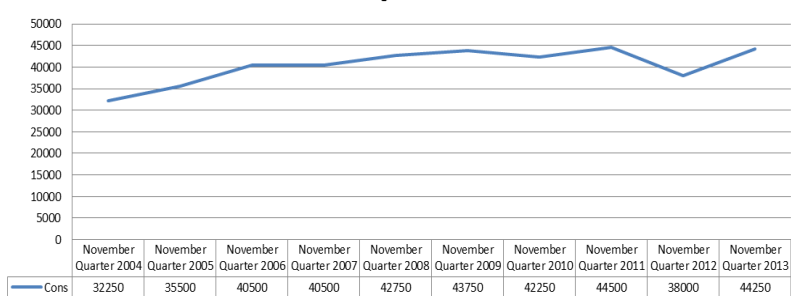
+16.45%

(Annualised)
(12 months compared to previous 12 months)

38,000
Nov 2012

44,250
Nov 2013

Tradespeople in Construction WorkForce (Exc. Electricians)
Annualised Average over 10 Year Period



ABS 6291.0.55.003 - E08

	Annualised	3 Months
% Change over Period	+16.45%	-4.55%

TRADESPEOPLE IN CONSTRUCTION (Including Electricians)

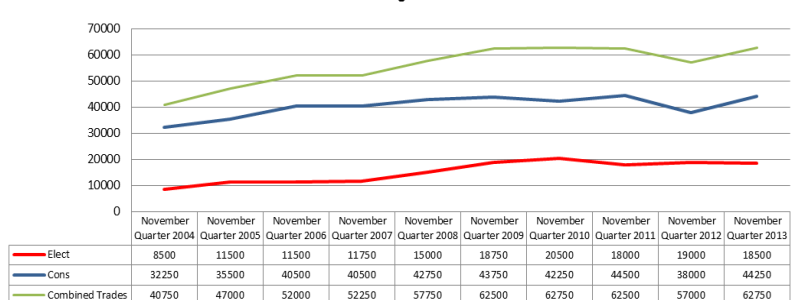
+10.09%

(Annualised)
(12 months compared to previous 12 months)

57,000
Nov 2012

62,750
Nov 2013

Tradespeople in Construction in Workforce
Annualised Average over 10 Year Period



ABS 6291.0.55.003 - E08

	Annualised	3 Months
% Change over Period	+10.09%	-4.69%

Electricians account for 29.5% of all tradespeople in Construction with a proportion of these working in the Mining/Resource sector.

⁵ This refers to a full year comparison to previous year

⁶ This refers to previous quarter

3. Building Approvals & Commencements in WA⁷

BUILDING APPROVALS

Total Dwelling Units
(Seasonally Adjusted)

+32.55%

(Annualised)
(12 months compared to previous 12 months)

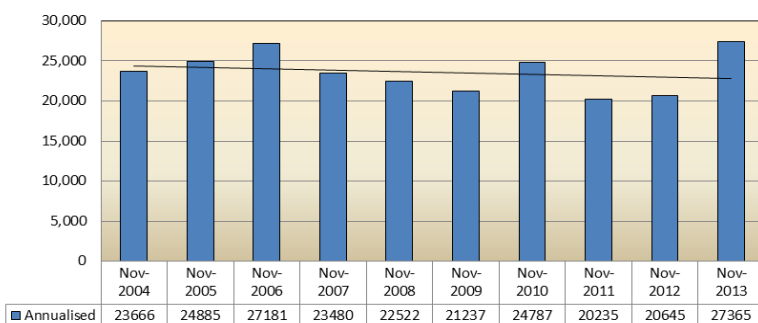
20,645

Year to Nov 2012

27,365

Year to Nov 2013

Building Approvals in WA - Total Dwelling Units
(Annualised - Seasonally Adjusted)



ABS 8731.0

	Annualised	3 Months	1 Month
% Change over Period	+32.55%	+8.97%	+3.96%

The 1 year quarter change comparison shows an 8.97% increase which is up from 0.15% at the same time last year.

BUILDING APPROVALS

Total Houses
(Seasonally Adjusted)

+36.76%

(Annualised)
(12 months compared to previous 12 months)

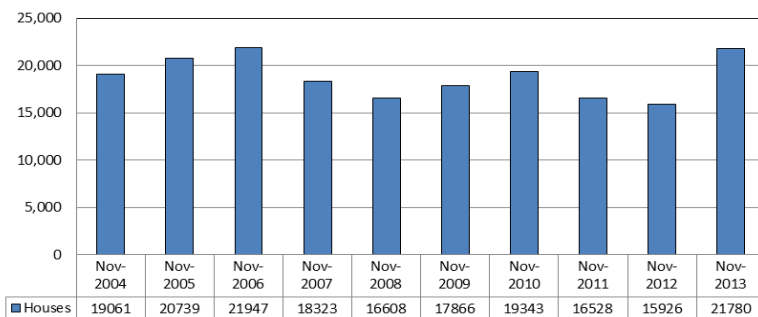
15,926

Year to Nov 2012

21,780

Year to Nov 2013

Building Approvals in WA - Total Houses
(Annualised - Seasonally Adjusted)



ABS 8731.0

	Annualised	3 Months	1 Month
% Change over Period	+36.76%	-1.85%	-3.63%

The 1 year monthly comparison shows a 17.35% increase. However, at the same period last year the increase was 30.99% showing the volatility that still exists within the industry.

DWELLING COMMENCEMENTS

(Seasonally Adjusted)

+37.65%

(Annualised)
(12 months compared to previous 12 months)

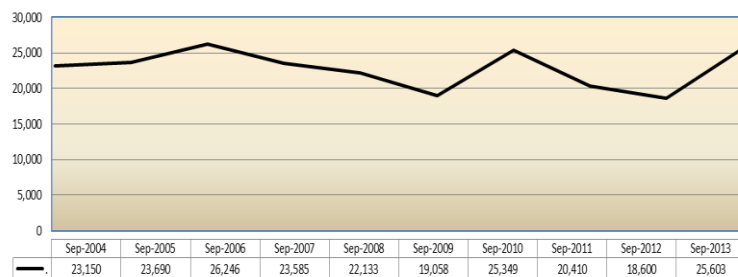
18,600

Year to Sept 2012

25,603

Year to Sept 2013

Dwelling Commencements
Annualised - Seasonally Adjusted



ABS 8752.0

	Annualised	3 Months	1 Month
% Change over Period	+37.65%	+3.95%	n/a

The 1 full year to year change (Annualised) shows an increase for Western Australia of 37.65%. This follows a decrease of 8.87% at the same time last year.

⁷ ABS 8731.0 & 8752.0

4. Construction Work Done⁸

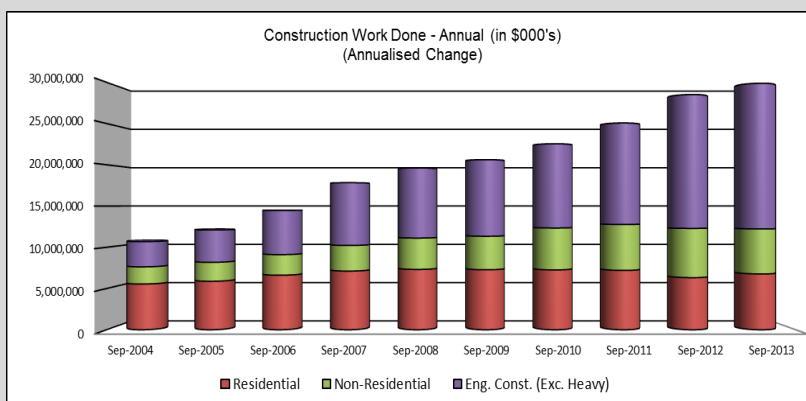
RESIDENTIAL, NON-RESIDENTIAL & ENGINEERING CONSTRUCTION
(Excluding Heavy) (in \$000's)

+4.80%

(Annualised)
(12 months compared to previous 12 months)

\$28,505,285
Year to Sept 2012

\$29,873,845
Year to Sept 2013



ABS 8755.0 and ABS 8762.0

	Annualised	3 Months ⁹
% Change over Period	+4.80%	+2.88%

'Construction Work Done' is the combination of all residential and non-residential building plus Engineering Construction excluding 'Heavy Engineering'. Engineering Construction (exc. Heavy) sector accounts for over 59.0% of all activity.

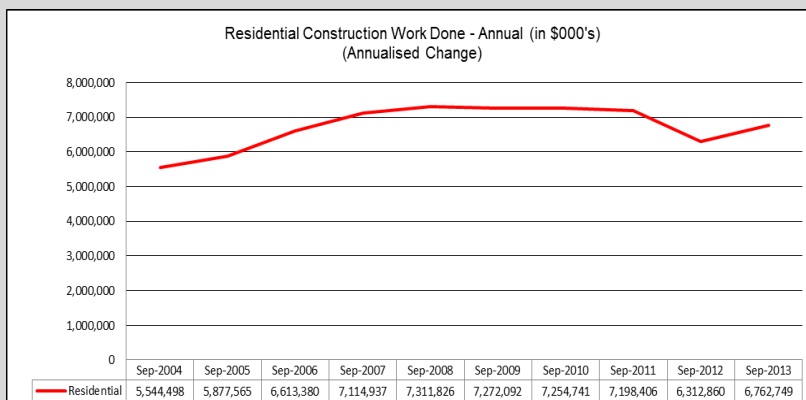
RESIDENTIAL CONSTRUCTION
(Original) (in \$000's)

+7.13%

(Annualised)
(12 months compared to previous 12 months)

6,312,860
Year to Sept 2012

6,762,749
Year to Sept 2013



ABS 8755.0 and ABS 8762.0

	Annualised	3 Months
% Change over Period	+7.13%	+11.07%

Residential Construction has increased over the year from a level similar to 2006.

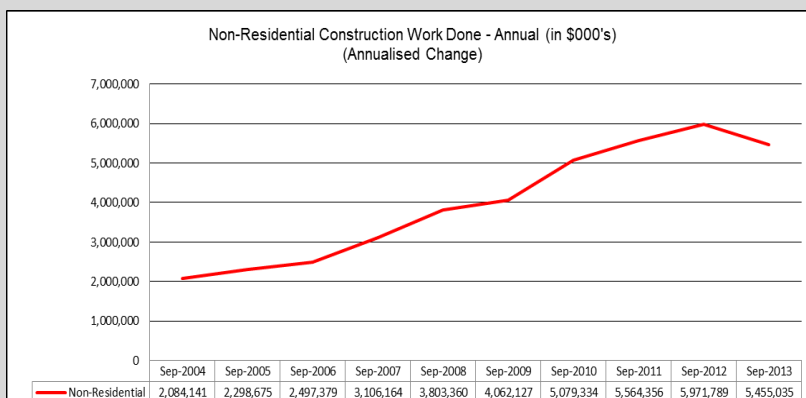
NON-RESIDENTIAL CONSTRUCTION
(Original) (in \$000's)

-8.65%

(Annualised)
(12 months compared to previous 12 months)

5,971,789
Year to Sept 2012

5,455,035
Year to Sept 2013



ABS 8755.0 and ABS 8762.0

	Annualised	3 Months
% Change over Period	-8.65%	+ 6.94%

Non-Residential is approximately 81% of the value of Residential Work done. In 2004, Non-Residential was approximately 38% of the value of Residential Work Done.

⁸ Due to ABS release dates and data not being available for publication, Engineering Construction data is included using the previous quarter data and has a relative standard error of 10% to less than 25% and should be used with caution.

⁹ Compared to previous Qtr.

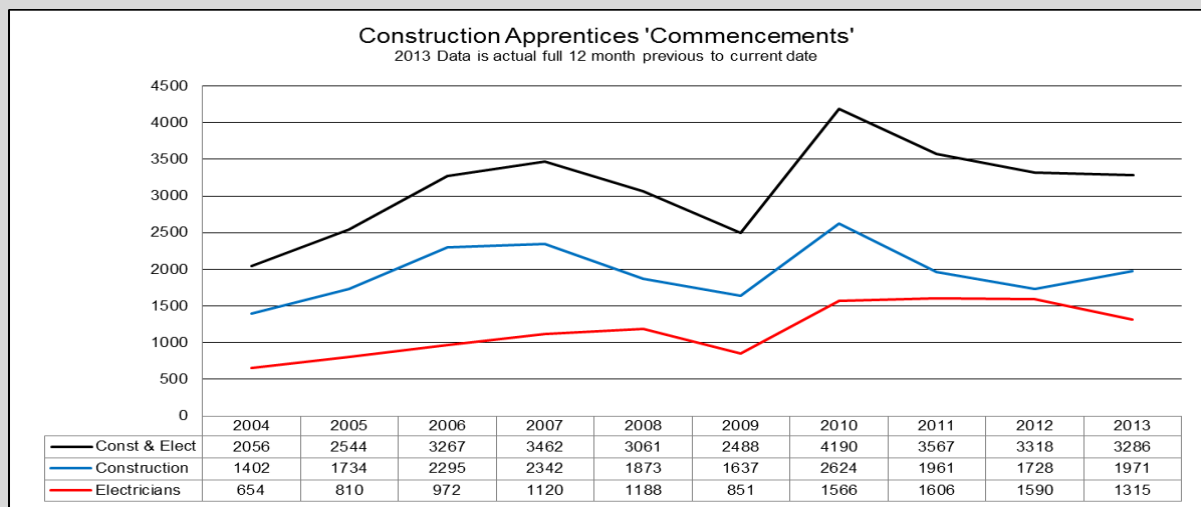
5. Apprentice Commencements ¹⁰

There has been a continuing decline in overall apprentice 'Commencements' in Construction (including Electrical) over the past 12 months and this will have a negative impact on the 'In Training' figures over the next 6 to 36 months. Commencements will therefore be closely monitored.

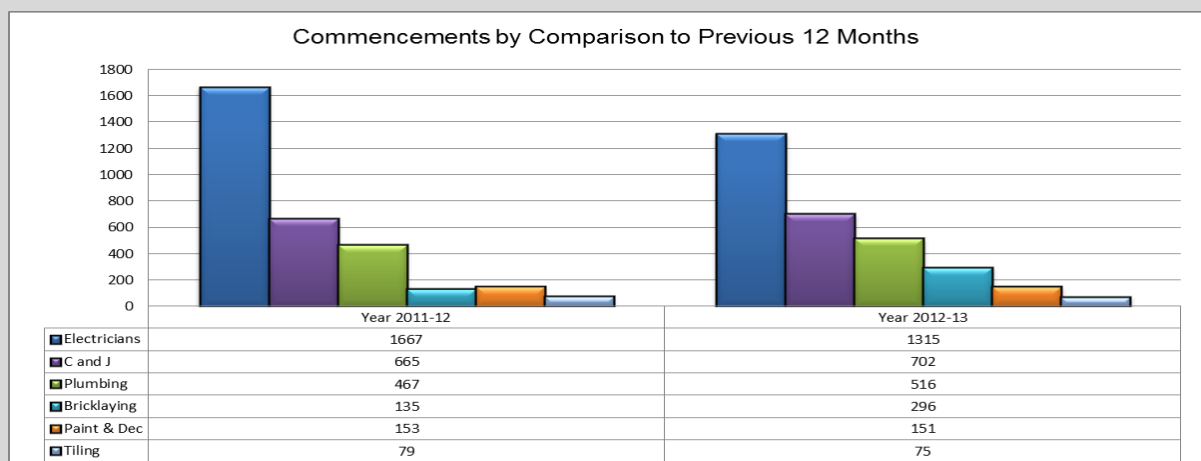
However, construction apprentice commencements, (excluding Electrical) during the year November 2012 to October 2013 have improved by 12.5% compared to the same twelve month period 2011 - 2012. These figures are used for the 'Construction Apprentice Commencements' for 2013 where previous years are the complete calendar year figures.

Overall, commencements have declined by 3.89%. The main decline was in Electrical with a 21.12% reduction in commencements. Wall and Ceiling Fixing apprentice commencements have contracted by 29.63%. However, Bricklaying has improved by 119.26%.

The following chart includes the 12 month period to the end of October 2013.



The following chart shows the comparison between the 12 months; November 2012 – October 2013 compared to same twelve month period 2011 - 2012.



Of major concern is the impact on the future supply of tradespeople in the Construction Industry, especially in trades such as Wall and Ceiling Fixing (-29.63%) and Painter and Decorator (-1.31%) in the last 12 months.

¹⁰ Commencements are training contracts that have occurred in comparative 12 month periods.

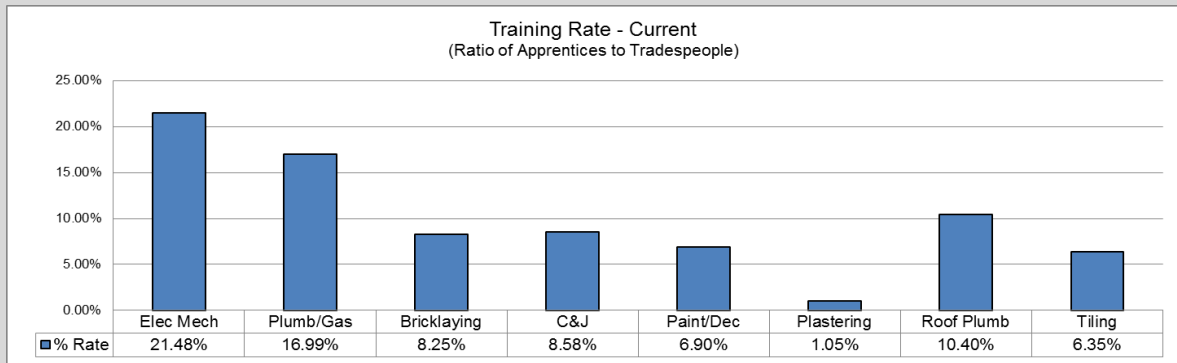
6. Apprentice Training Rates ¹¹

Over the last five years there has been a significant decline in 'training rates' for most Construction trades.

The Training Rate is the ratio of apprentices to tradespeople and the charts below show how severe the decline has been compared to 2008.

Training Rates			
Trade	% change	2013	2008
Electrical Mechanics	-27.08%	21.48%	29.46%
Carpentry & Joinery	-52.15%	8.58%	17.93%
Plastering	-56.61%	1.05%	2.42%
Plumbing & Gas	+22.40	16.99%	13.88%
Bricklaying	+67.70%	8.25%	4.92%
Painting & Decorating	+5.70%	6.90%	6.53%
Roof Plumbing/Tiling	+16.22%	6.45%	5.55%
Wall & Floor Tiling	-6.62%	6.35%	6.80%

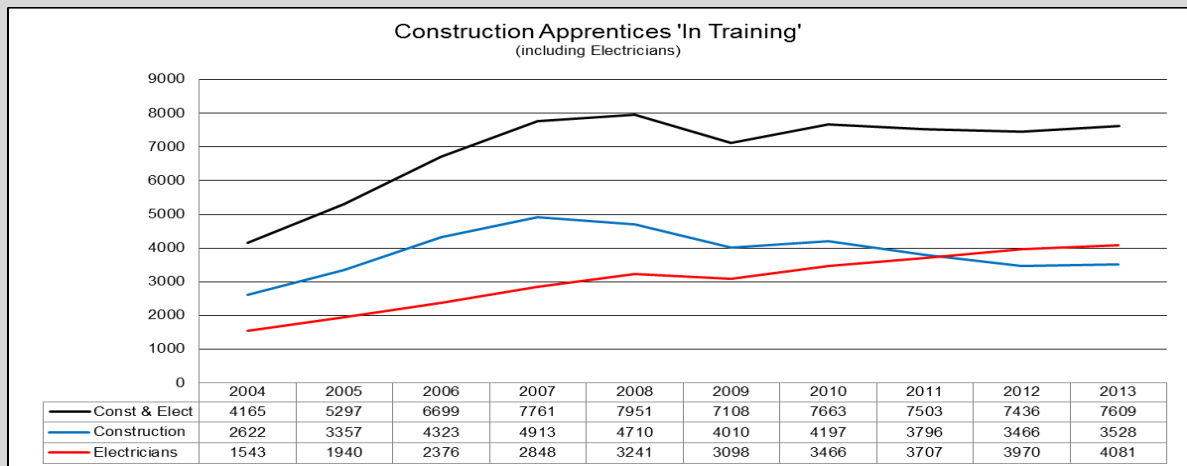
Trades such as Carpentry and Joinery have experienced an increase in the number of tradespeople working in the industry hence the apparent significant decrease in their 'training rate'.



7. Apprentices In Training ¹²

Overall the 'in training' figures appear relatively stable; this may be due to the number of apprentices being retained in the Industry and the impact of the 'Kickstart' initiative, which was extended to the 30th April 2013 and slowed the rate of decline in commencements. However, there are signs that numbers will be affected due to low commencement rates.

This chart shows that there are still significantly more apprentice electricians 'in training' than all other trades combined, despite the recent decline (21.12%) in electrical commencements.



¹¹ 'Training Rate' is the number of apprentices 'in training' compared to the number of tradespeople in the specific industry as stated by ABS 6291.0.55.003, ST_E08

¹² 'In Training' is the total number of apprentices currently in a contract of employment as an apprentice.

8. Employment of Females

There are currently 65 female apprentices in training. Over the last 10 years the overall percentage of female apprentices in Construction has risen from 0.85% to 1.84%. The number of female trainees in training is currently 32 and has risen from 0.77% to 5.55% over the last 10 years. Although there is no definitive research into the reasons for the increase, it is suggested that there has been increased promotion of 'women in trades' by the Construction Training Fund.

9. Traineeships in the Industry

The following chart shows the number of **trainees** 'in training' at the end of October 2013. Note: there are also an additional **79** trainees in Certificate IV Civil Construction Supervision but registered as employed in the Mining and Resource sector.

Traineeship	ASSISTANT BUILDING SURVEYOR (LEVEL 5)	1
	BITUMINOUS SURFACING (LEVEL 3)	4
	BUILDING MAINTENANCE (LEVEL 2)	24
	CIVIL CONSTRUCTION (LEVEL 2)	1
	CIVIL CONSTRUCTION (LEVEL 3)	108
	CIVIL CONSTRUCTION DESIGNER (LEVEL 5)	4
	CIVIL CONSTRUCTION MANAGER (LEVEL 5)	1
	CIVIL CONSTRUCTION SUPERVISOR (LEVEL 4)	0
	CONCRETING (LEVEL 3) – (AVAILABLE AS AN APPRENTICESHIP)	0
	DOGGING (LEVEL 3)	5
	DRAINAGE (LEVEL 2)	2
	ESTIMATING (HOUSING) (LEVEL 4)	20
	GENERAL CONSTRUCTION (LEVEL 2)	35
	PIPELAYING (LEVEL 3)	64
	PLANT OPERATIONS (LEVEL 3)	98
	RESIDENTIAL DRAFTING (LEVEL 4)	5
	RIGGING (LEVEL 3)	107
	ROAD CONSTRUCTION AND MAINTENANCE (LEVEL 3)	45
	SCAFFOLDING (LEVEL 3)	9
	SITE MANAGEMENT (LEVEL 4)	32
	STEEL FIXING (LEVEL 3)	0
	TRENCHLESS TECHNOLOGY (LEVEL 3)	16
	Building & Construction (TOTAL)	581
Mining & Resources Sector - Certificate IV in Civil Construction Supervision (RII40709)		79

There are currently **581** trainees in training primarily in the Civil Construction sector. It is pleasing to see the growth in numbers in traineeships in recent years. In 2008 there were **450** trainees 'in training' which represents a 29% increase.

10. Employment of Aboriginal and Torres Strait Islanders

There are currently 122 Aboriginal and Torres Strait Islander (ATSI) apprentices in training. Over the last 10 years the overall percentage of ATSI apprentices has risen from 2.69% to 3.46% which is representative of the number of ATSI people in the general population.

Currently there are 81 trainees in training with an ATSI background which represents 13.94% of all Building and Construction trainees. This increase appears to coincide with a concerted effort to recruit ATSI people by the Civil Construction sector.