



Construction Industry Snapshot

Western Australia

May 2014



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This report is published on a bi-monthly basis.

Although this report is dated May 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 2012/13/14. 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 February 2014.

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 employs 10.63% (Annualised) of the overall State workforce.

There were 134,410 people working in the Construction Industry as at February 2014, with an annualised average of 140,650 in the previous twelve month period. The Industry workforce contracted by 12,330 people in the last quarter. This is the first time since May 2013 that there has been a decline in the numbers in Construction.

On a year to year comparison up to the end of February 2014 there was a 16.25% increase in Construction apprentice commencements (excluding Electrical) but a significant reduction in Electrical apprentice commencements of -11.1%¹.

As at February 2014, the Industry including electrical, employed 40% of all Western Australia's apprentices².

Western Australia's estimated resident population grew by 3.0% for the year to September 2013. This figure compares favourably with Queensland (2.0%) and the ACT (1.5%). The Western Australian seasonally adjusted unemployment rate was 4.9% during April 2014, the same as March 2014. This still compares favourably to the National rate of 5.8%. The seasonally adjusted participation rate in Western Australia decreased to 67.9% in April 2014 down from a rate of 68.2% in March 2013.

It is estimated that approximately 27,000 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 December 2013 increased by 14.51% compared to December 2012³. The Engineering Construction sector, excluding Heavy Engineering, decreased by 4.27%* in Western Australia between December 2012 and December 2013.

The Housing sector has in recent months recovered with annual dwelling unit approvals to March 2014 at 29,432 (22,823 houses), compared to a previous peak of 25,982 (20,772 houses) at March 2007⁴.

Seasonally adjusted, building approvals for all dwelling units decreased by 9.1% between February and March 2014. There was a 0.36% decrease over the three months to March 2014.

Trend building approvals in Western Australia decreased by 0.1% between February 2014 and March 2014 and rose by 21.4% over the year.

Seasonally adjusted, dwelling commencements decreased by 1.26% in the quarter to December 2013; however, on an annualised basis compared to December 2012 commencements have increased by 29.66%.

*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

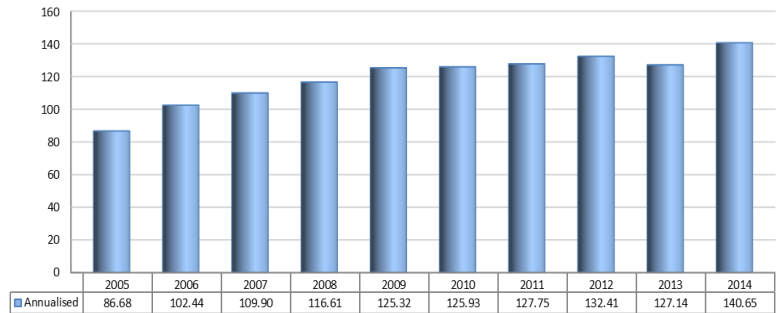
+10.63%

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

127,140
Feb 2013

140,650
Feb 2014

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



ABS 6291.0.55.003

	Annualised ⁵	3 Months ⁶
% Change over Period	+10.63%	-8.40%

The industry currently employs 10.58% of the State workforce as at February 2014.

TRADESPEOPLE IN CONSTRUCTION (Excluding Electricians)

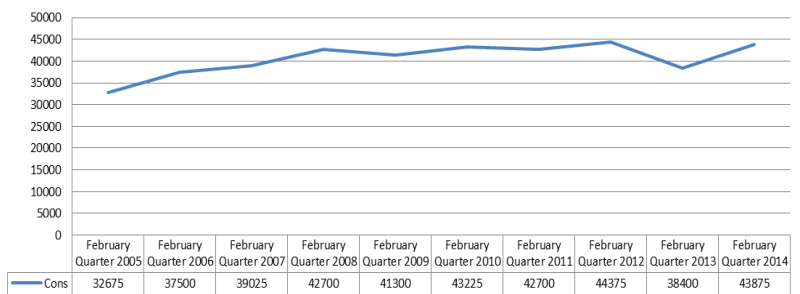
+14.26%

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

38,400
Feb 2013

43,875
Feb 2014

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



ABS 6291.0.55.003 - E08

	Annualised	3 Months
% Change over Period	+14.26%	-0.47%

TRADESPEOPLE IN CONSTRUCTION (Including Electricians)

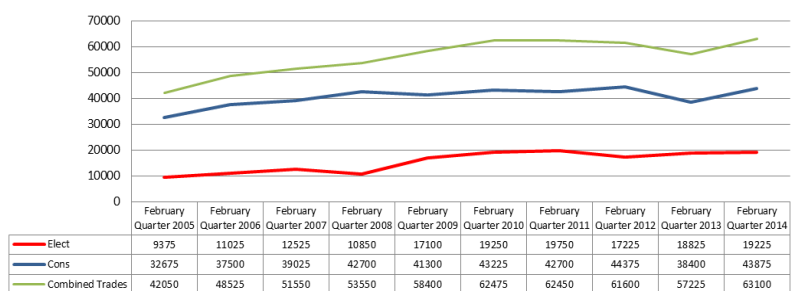
+10.27%

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

57,225
Feb 2013

63,100
Feb 2014

Tradespeople in Construction in Workforce
Annualised Average over 10 Year Period



ABS 6291.0.55.003 - E08

	Annualised	3 Months
% Change over Period	+10.27%	-4.47%

Electricians account for 30.47% 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)

+32.08%

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

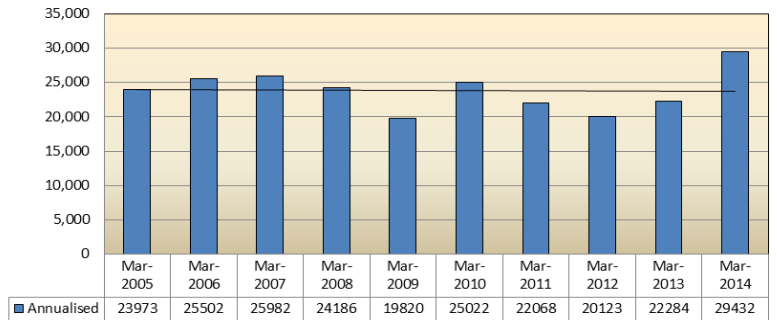
22,284

Year to Mar 2013

29,432

Year to Mar 2014

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



ABS 8731.0

	Annualised	3 Months	1 Month
% Change over Period	+32.08%	-0.36%	-9.10%

The 1 year quarter change comparison shows a 0.36% decrease, this is down from an 11.7% increase at the same time last year.

BUILDING APPROVALS

Total Houses
(Seasonally Adjusted)

+32.18%

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

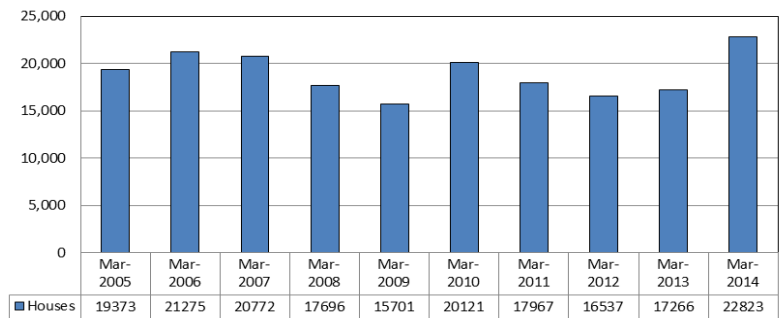
17,266

Year to Mar 2013

22,823

Year to Mar 2014

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



ABS 8731.0

	Annualised	3 Months	1 Month
% Change over Period	+32.18%	+5.94%	+2.81%

The one year percentage change, same month comparison (March 2013 compared to March 2014) shows an 11.36% increase which reflects a slower upward trend compared to the 12 month annualised figure.

DWELLING COMMENCEMENTS

(Seasonally Adjusted)

+29.66%

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

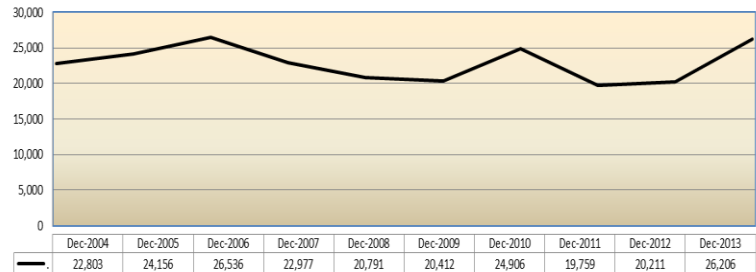
20,211

Year to Dec 2012

26,206

Year to Dec 2013

Dwelling Commencements
Annualised - Seasonally Adjusted



ABS 8752.0

	Annualised	3 Months	1 Month
% Change over Period	+29.66%	-1.26%	n/a

The 1 full year to year change (Annualised) shows an increase for Western Australia of 29.66%. This follows an increase of 2.29% at the same time last year.

⁷ ABS 8731.0 & 8752.0

4. Construction Work Done⁸

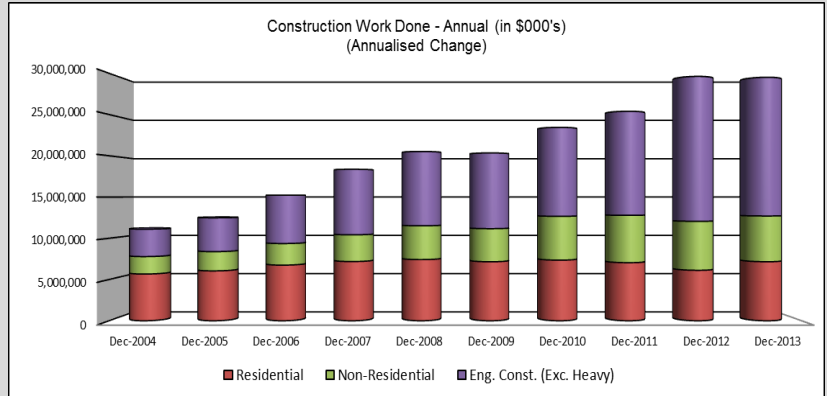
RESIDENTIAL, NON-RESIDENTIAL & ENGINEERING CONSTRUCTION
(Excluding Heavy) (in \$000's)

-0.36%

(Annualised)
(12 months compared to previous 12 months)
(in \$000's)

\$29,616,301
Year to Dec 2012

\$29,508,346
Year to Dec 2013



ABS 8755.0 and ABS 8762.0

	Annualised	3 Months ⁹
% Change over Period	-0.36%	+0.45%

'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 almost 57.0% of all activity.

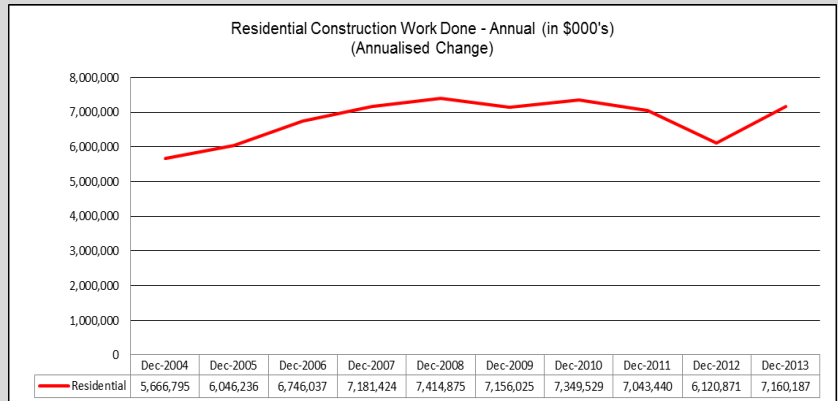
RESIDENTIAL CONSTRUCTION
(Original) (in \$000's)

+16.98%

(Annualised)
(12 months compared to previous 12 months)
(in \$000's)

\$6,120,871
Year to Dec 2012

\$7,160,187
Year to Dec 2013



ABS 8755.0 and ABS 8762.0

	Annualised	3 Months
% Change over Period	+16.98%	-4.92%

Residential Construction has increased over the year to a level similar to 2007.

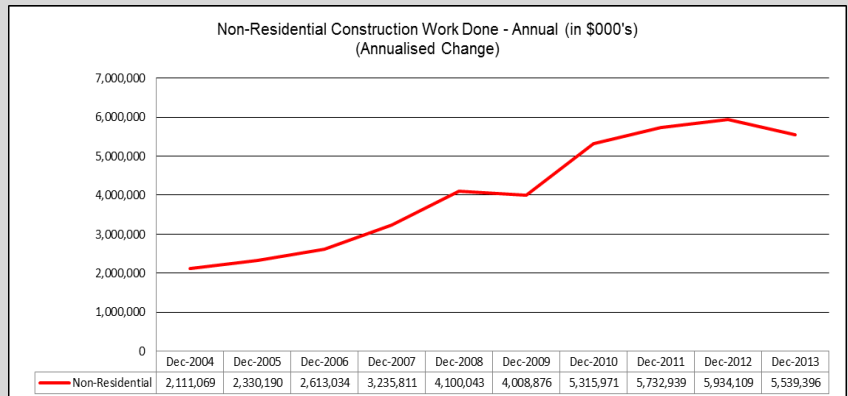
NON-RESIDENTIAL CONSTRUCTION
(Original) (in \$000's)

-6.65%

(Annualised)
(12 months compared to previous 12 months)
(in \$000's)

\$5,934,109
Year to Dec 2012

\$5,539,396
Year to Dec 2013



ABS 8755.0 and ABS 8762.0

	Annualised	3 Months
% Change over Period	-6.65%	13.01%

In 2004, Non-Residential was approximately 37% 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.

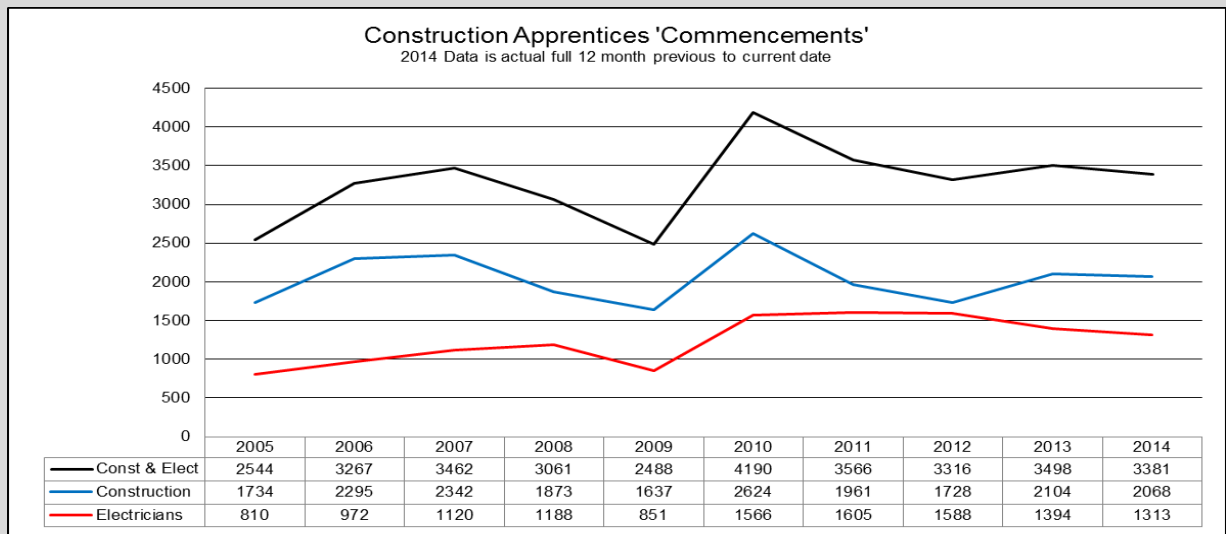
5. Apprentice Commencements¹⁰

There has been a continuing trend of low-level apprentice 'Commencements' in Construction (including Electrical) over the past 4 years 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.

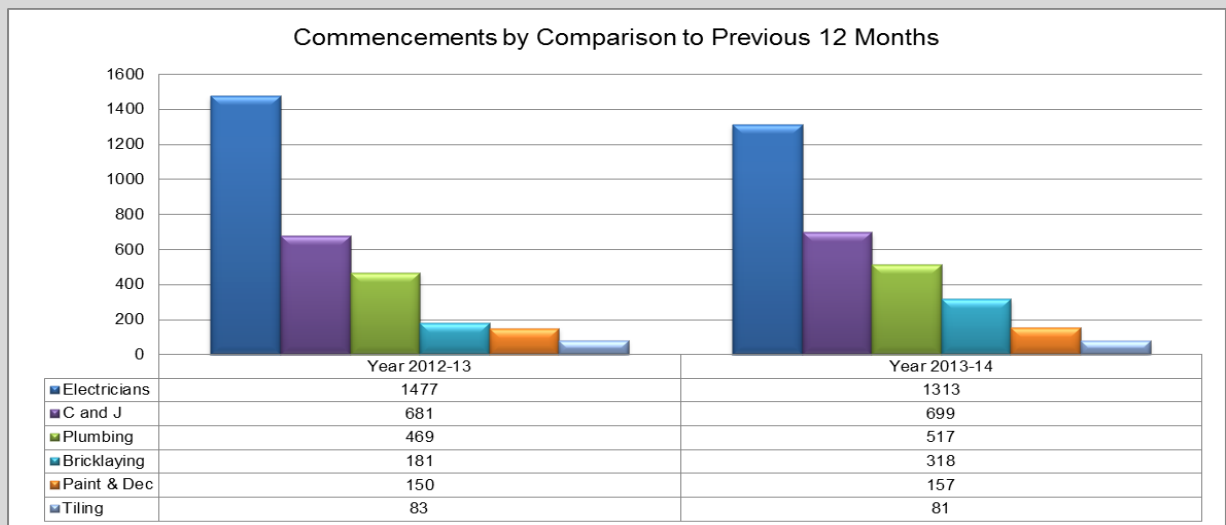
However, although at a lower level than previous highs, construction apprentice commencements, (excluding Electrical) during the year March 2013 to February 2014 have improved by 16.25% compared to the same twelve month period March 2012 – February 2013.

Overall, commencements have increased by 3.84%. The decline was in Electrical with an 11.1% reduction in commencements. Wall and Ceiling Fixing apprentice commencements have contracted by 8.0%. However, Bricklaying has improved by 75.69%.

The following chart includes the 12 month period to the end of February 2014.



The following chart shows the comparison between the 12 months; March 2013 – February 2014 compared to March 2012 to February 2013.



Of concern is the impact on the future supply of tradespeople in the Construction Industry, for example, Electricians have declined by 11.1%.

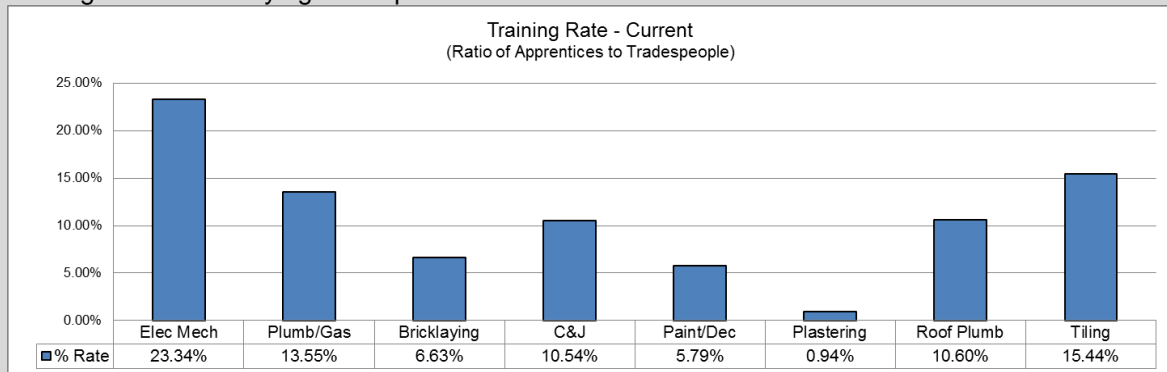
¹⁰ Commencements are training contracts that have occurred in comparative 12 month periods.

6. Apprentice Training Rates ¹¹

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

Training Rates			
Trade	% change	2014	2009
Electrical Mechanics	-17.11%	23.34%	28.16%
Carpentry & Joinery	-27.31%	10.54%	14.50%
Plastering	-47.77%	0.94%	1.80%
Plumbing & Gas	+2.18%	13.55%	13.26%
Bricklaying	+80.65%	6.63%	3.67%
Painting & Decorating	-5.08%	5.79%	6.10%
Roof Plumbing	+20.45%	10.60%	8.80%
Wall & Floor Tiling	+202.74%	15.44%	5.10%

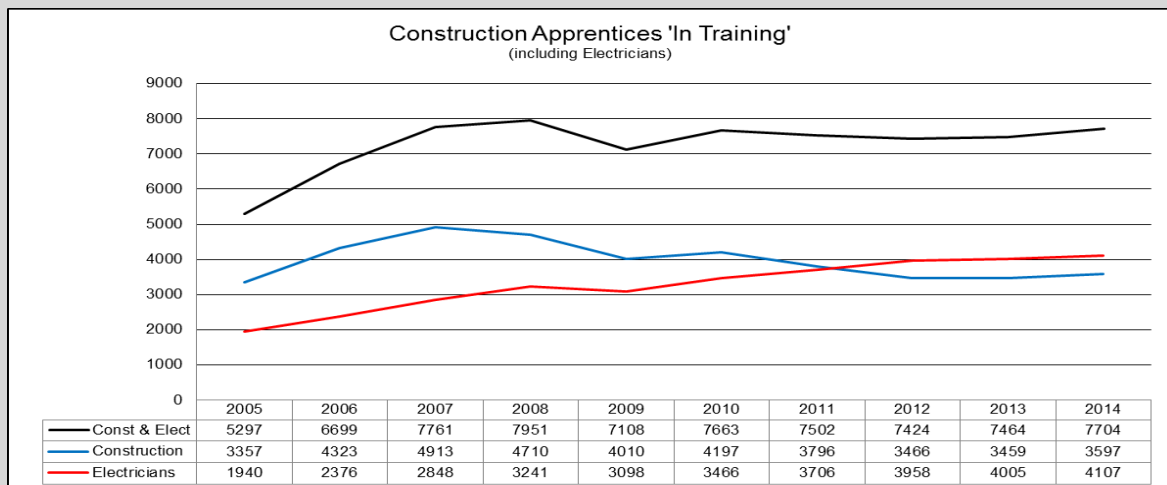
Trades such as Tiling have experienced a decrease in the number of 'tradespeople' working in the industry hence the apparent significant increase in their 'training rate'. The increase in the training rate in Bricklaying corresponds to the recent increase in commencements.



7. Apprentices In Training ¹²

Overall the 'in training' figures appear relatively stable during the year; this may be due to the number of apprentices being retained in the Industry and the impact of various State and Federal initiatives. 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 (-11.1%) 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 0.88% to 1.81%. The number of female trainees in training is currently 30 and has risen from 3.29% to 5.88% over the last 10 years. Although there is no definitive research into the reasons for the increase, one factor 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 February 2014. Note: there are also an additional **71** trainees in Certificate IV Civil Construction Supervision but registered as employed in the Mining and Resource sector.

Traineeship	ASSISTANT BUILDING SURVEYOR (LEVEL 5)	0
	BITUMINOUS SURFACING (LEVEL 3)	4
	BUILDING MAINTENANCE (LEVEL 2)	15
	CIVIL CONSTRUCTION (LEVEL 2)	1
	CIVIL CONSTRUCTION (LEVEL 3)	96
	CIVIL CONSTRUCTION DESIGNER (LEVEL 5)	3
	CIVIL CONSTRUCTION MANAGER (LEVEL 5)	1
	CIVIL CONSTRUCTION SUPERVISOR (LEVEL 4)	0
	DOGGING (LEVEL 3)	5
	DRAINAGE (LEVEL 2)	4
	ESTIMATING (HOUSING) (LEVEL 4)	18
	GENERAL CONSTRUCTION (LEVEL 2)	19
	PIPELAYING (LEVEL 3)	53
	PLANT OPERATIONS (LEVEL 3)	91
	RESIDENTIAL DRAFTING (LEVEL 4)	3
	RIGGING (LEVEL 3)	75
	ROAD CONSTRUCTION AND MAINTENANCE (LEVEL 3)	57
	ROAD MARKING (LEVEL 3)	5
	SCAFFOLDING (LEVEL 3)	5
	SITE MANAGEMENT (LEVEL 4)	23
	STEEL FIXING (LEVEL 3)	24
	TRENCHLESS TECHNOLOGY (LEVEL 3)	12
	Building & Construction (TOTAL)	514
Mining & Resources Sector - Certificate IV in Civil Construction Supervision (RII40709)		71

There are currently **514** trainees in training, primarily in the Civil Construction sector.

It is pleasing to see the overall growth in the numbers of traineeships in recent years. There has been a 14.22% increase since the 2008 figure of **450** trainees 'in training'

10. Employment of Aboriginal and Torres Strait Islanders

There are currently 120 Aboriginal and Torres Strait Islander (ATSI) apprentices in training. Over the last 10 years the overall percentage of ATSI apprentices has risen from 3.28% to 3.34% which is representative of the number of ATSI people in the general population.

Currently there are 63 trainees in training with an ATSI background which represents 12.35% of all Building and Construction trainees. This increase appears to coincide with a concerted effort to recruit ATSI people by the Civil Construction.