



Construction Industry Snapshot

Western Australia

July 2016

Construction Contribution to
Gross State Product

9.1%

Percentage of State
Workforce


11.0%

Percentage of Construction
Apprentices in the Workforce

48.0%

(including Electricians)


Apprentice Commencements
(Construction)

 **21.1%**

(Annualised)


Construction Industry Workforce

149,140
(Annualised)

 **2.54%**

(in last quarter)

Apprentice Commencements
(Electrical)

 **15.5%**

(Annualised)

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This report is published every two months.

Although this report is dated July 2016, it should be noted that some data is taken from previous monthly/quarterly results if they are the most recent.

ABS Data relates to the most recent quarters/months of 2015-16. 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 is current from the TRS Datacubes as at end of April 2016.

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



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 over 11.0% (annualised) of the overall State workforce.

Compared to 2015, at the end of April 2016 (annualised), there was a 21.1% decrease in Construction apprentice commencements and also a decrease of 15.5%¹ in Electrical apprentice commencements (combined decrease of 19.0%).

There are currently 4,288 Building Trades apprentices 'in training' which is the highest number since 2007. Together with Electrical trade apprentices, there are 8,258 apprentices in training, which is the second highest ever recorded.

As at April 2016, the Industry employed almost 48% of all Western Australia's apprentices² (Building Trades and Electricians combined)

Western Australia's estimated resident population grew by 1.2% for the year to December 2015. This is comparable to Victoria (1.9%), Queensland (1.3%) and New South Wales (1.4%). The June 2016 seasonally adjusted unemployment rate for Western Australia decreased to 5.7%. This is comparable to the National rate of 5.8%. The seasonally adjusted participation rate in Western Australia decreased to 67.4% in June 2016.

It is estimated that 17,000 Construction Industry employees are working on Resource Industry infrastructure construction projects. This is a significant reduction from the 29,000 estimated to be employed in that sector in 2013.

The value of Residential and Non-Residential Construction Work, excluding Heavy Engineering, in the year to March 2016 decreased by 11.5% compared to March 2015³. The Engineering Construction sector, excluding Heavy Engineering, decreased by 21.6%*, in Western Australia between March 2015 and March 2016.

The Housing sector has declined in recent months, with annual total dwelling unit approvals to May 2016 dropping to 25,075 (18,020 houses), compared to a previous peak of 33,004 (24,003 houses) in May 2015⁴.

Seasonally adjusted, building approvals for total dwelling units decreased by 20.0% between April and May 2016, while building approvals in the March 2016 to May 2016 quarter decreased by 9.1% against the previous quarter.

Trend building approvals in Western Australia decreased by 2.7% between April 2016 and May 2016 and fell by 22.4% over the year (annualised average).

Seasonally adjusted, dwelling commencements decreased by 16.4% in the quarter to March 2016; and on an annualised basis, compared to March 2015 figures, commencements decreased by 19.0%.

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

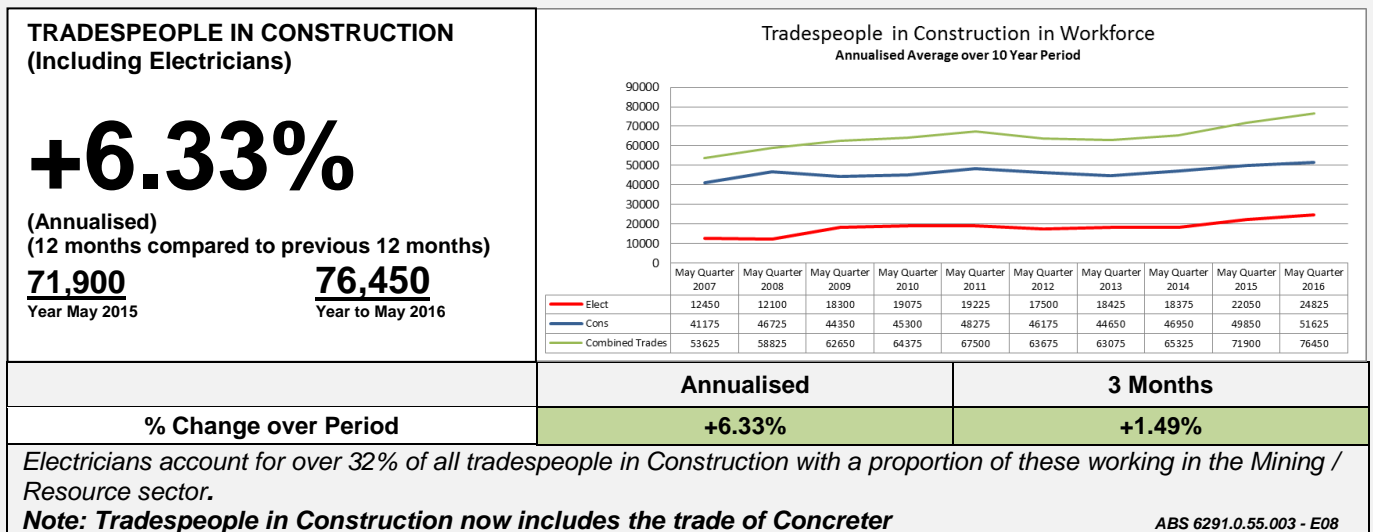
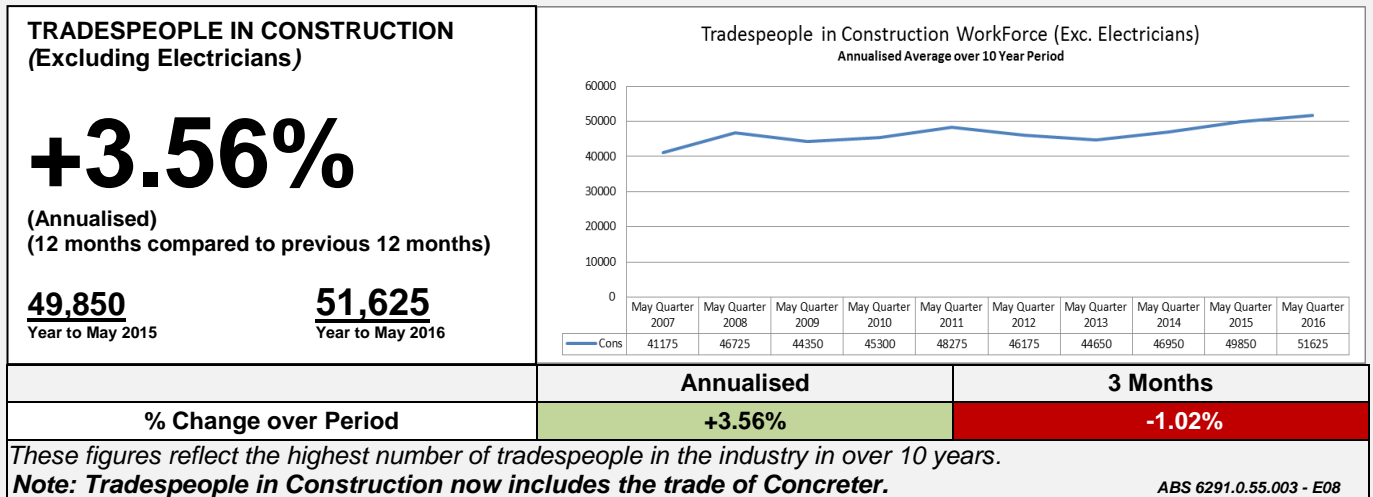
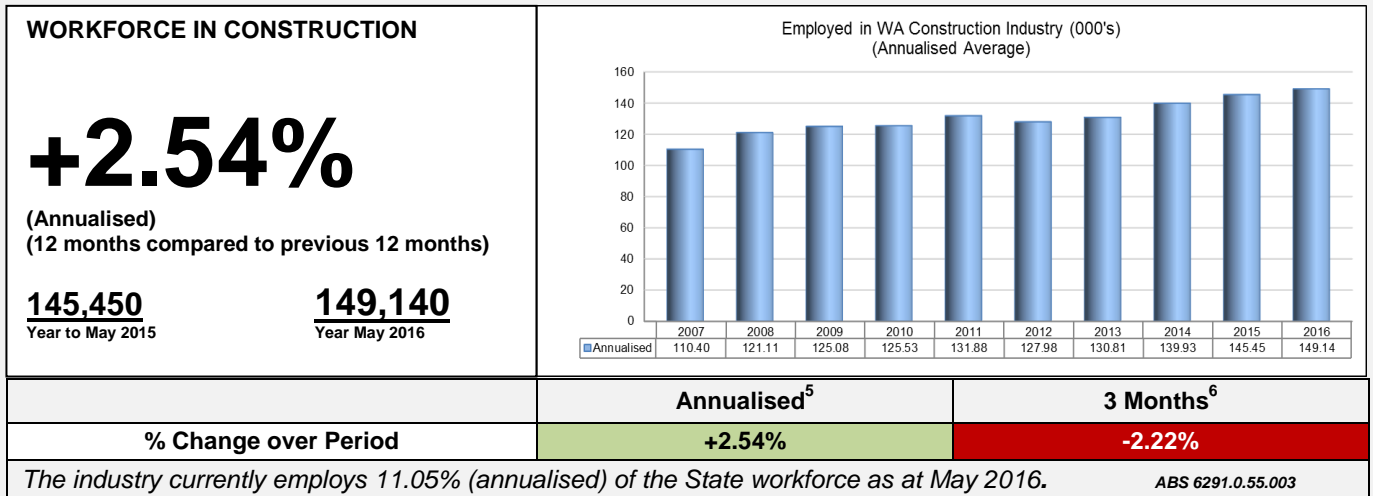
¹ TRS Datacube

² Using comparison to 'All Industries' data TRS Datacube

³ ABS 8755.0 and 8762.0 Construction & Engineering Work Done

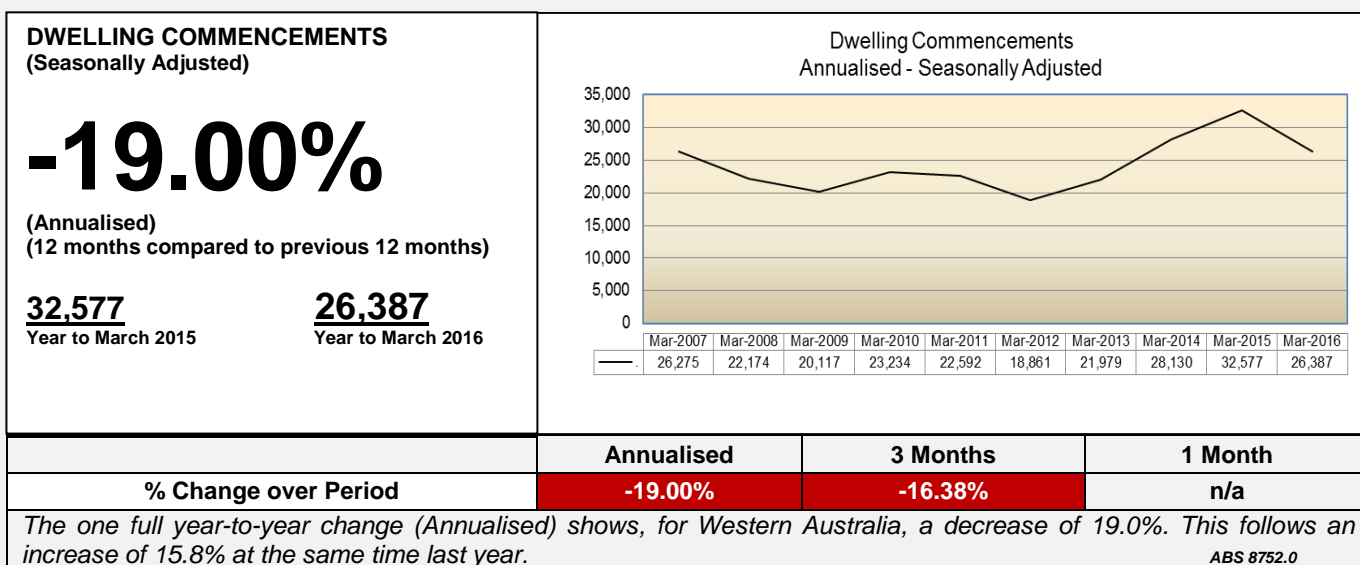
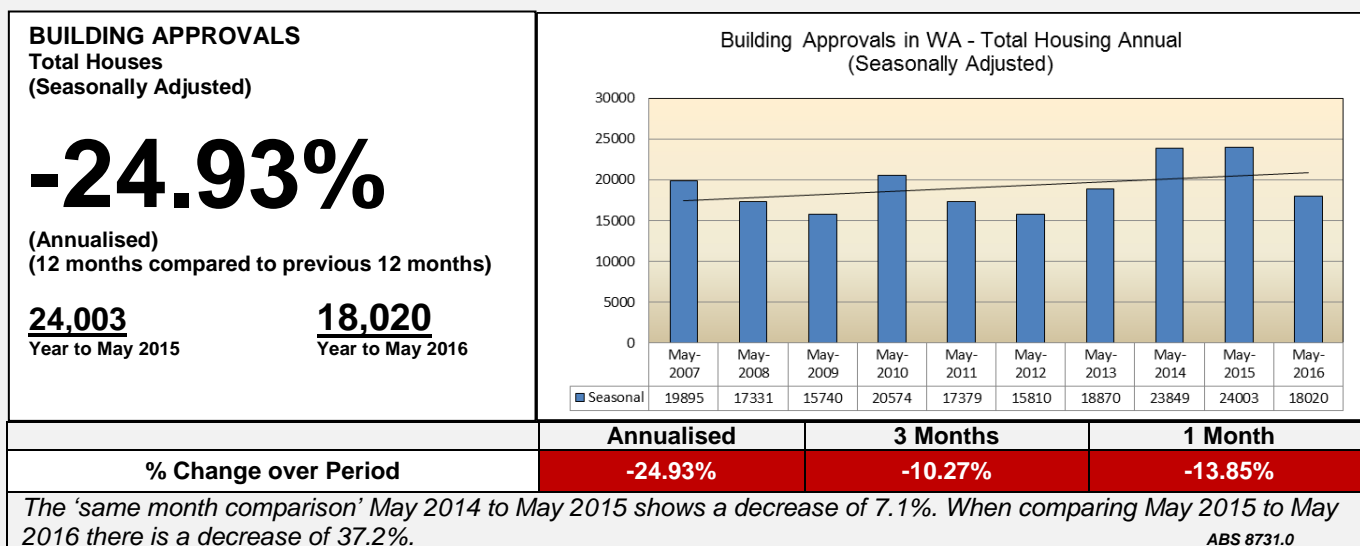
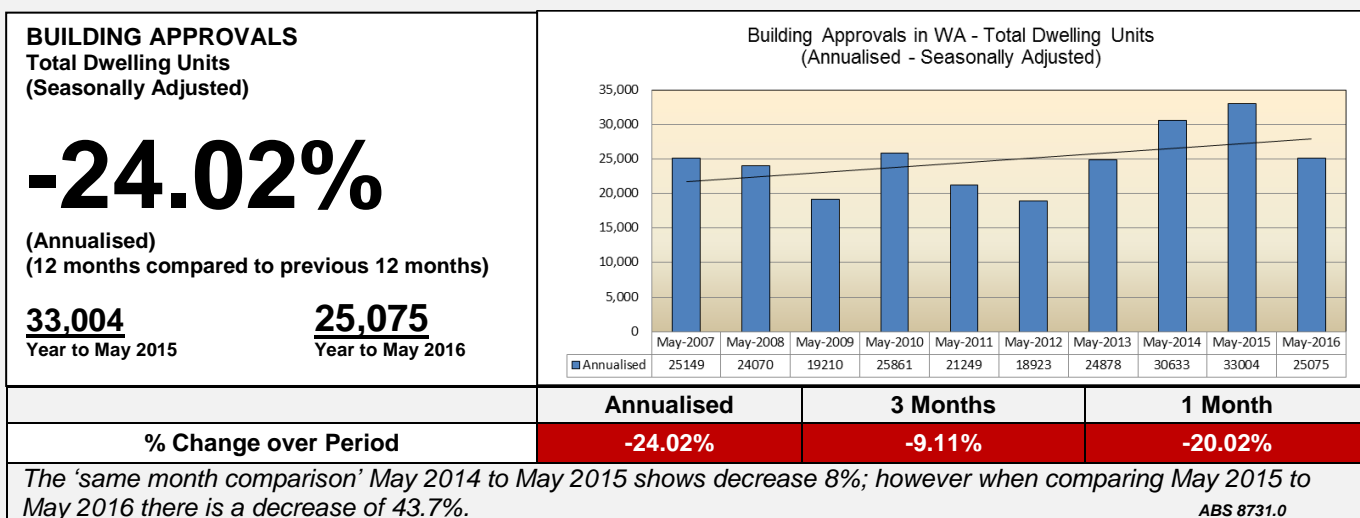
⁴ ABS 8731.05 (Seasonally Adjusted)

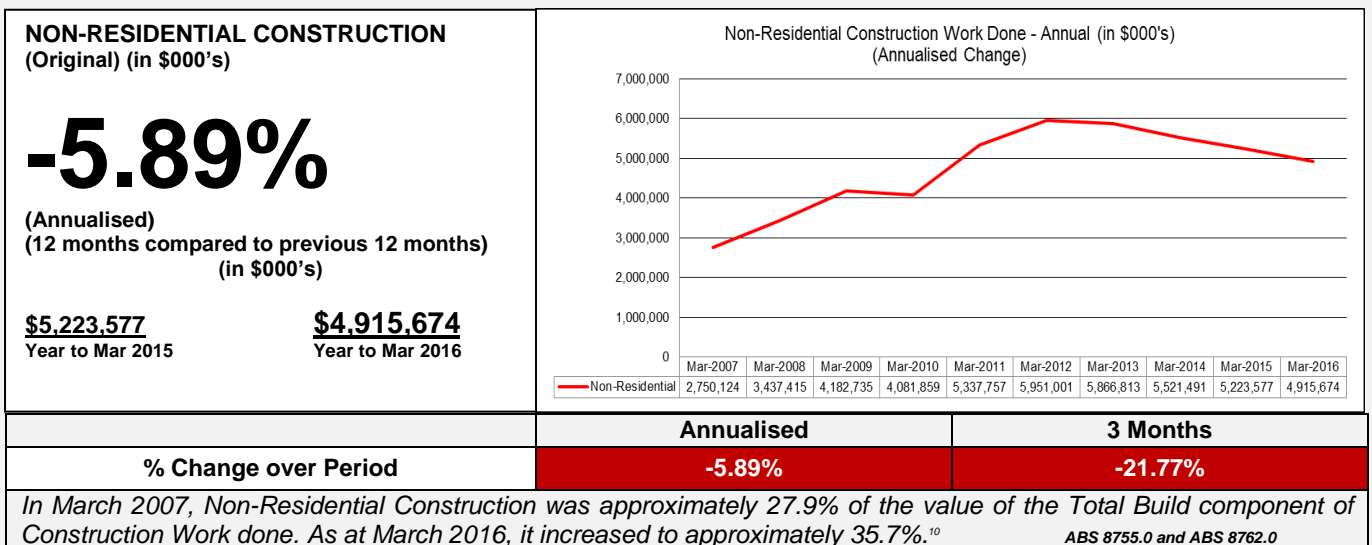
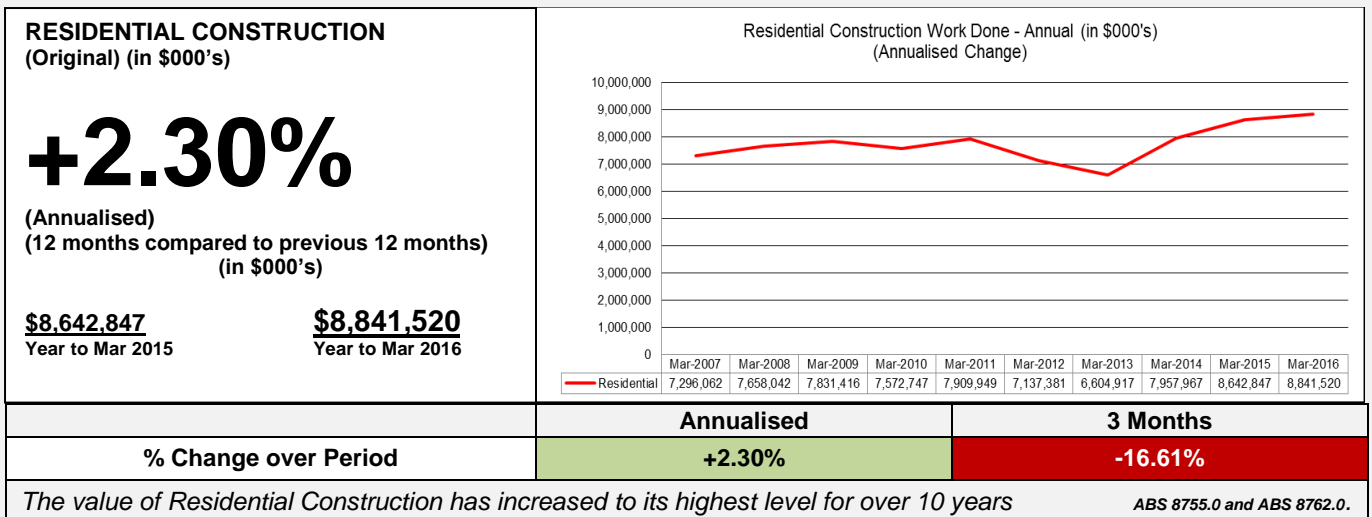
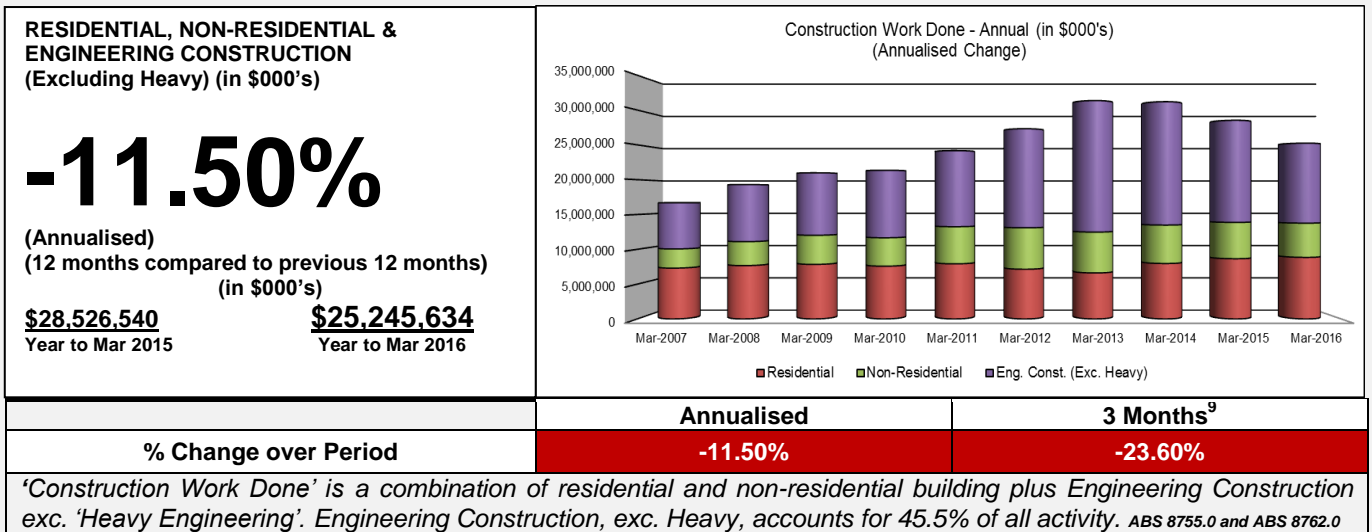
2. The Workforce



⁵ Full year compared to previous full year

⁶ This quarter compares to previous quarter

3. Building Approvals & Commencements in WA⁷⁷ ABS 8731.0 & 8752.0

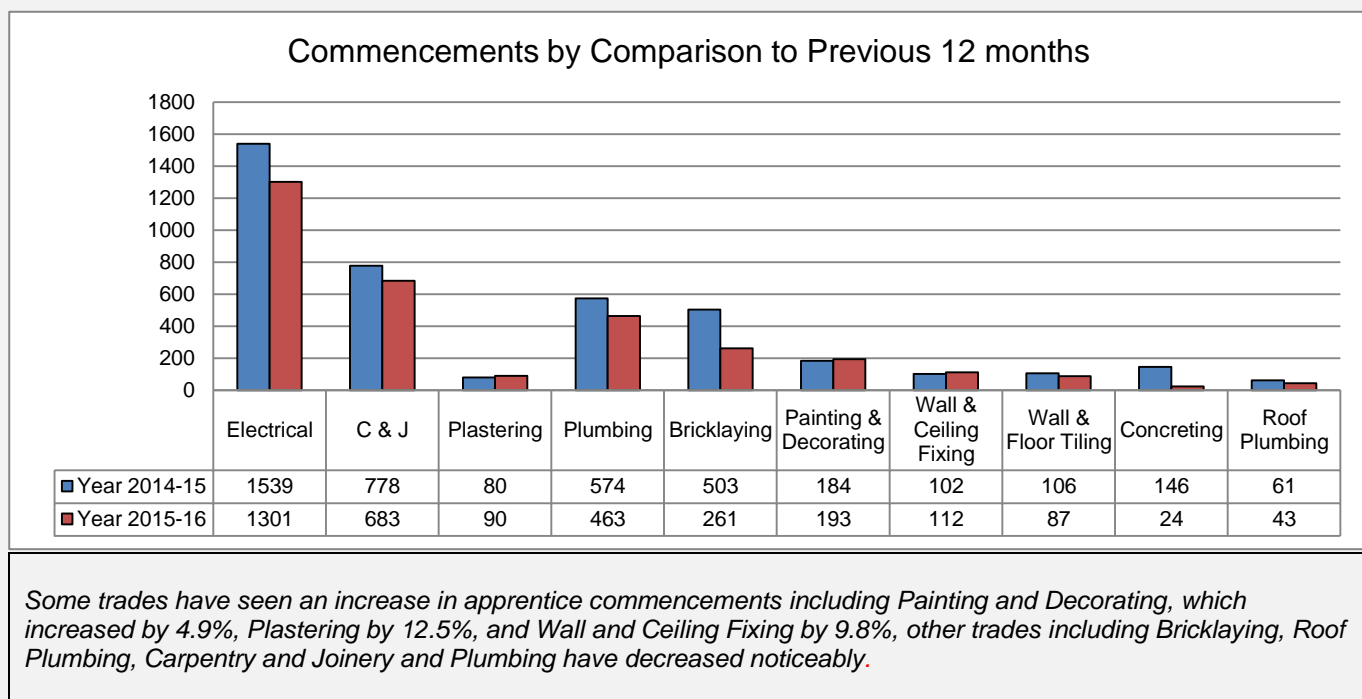
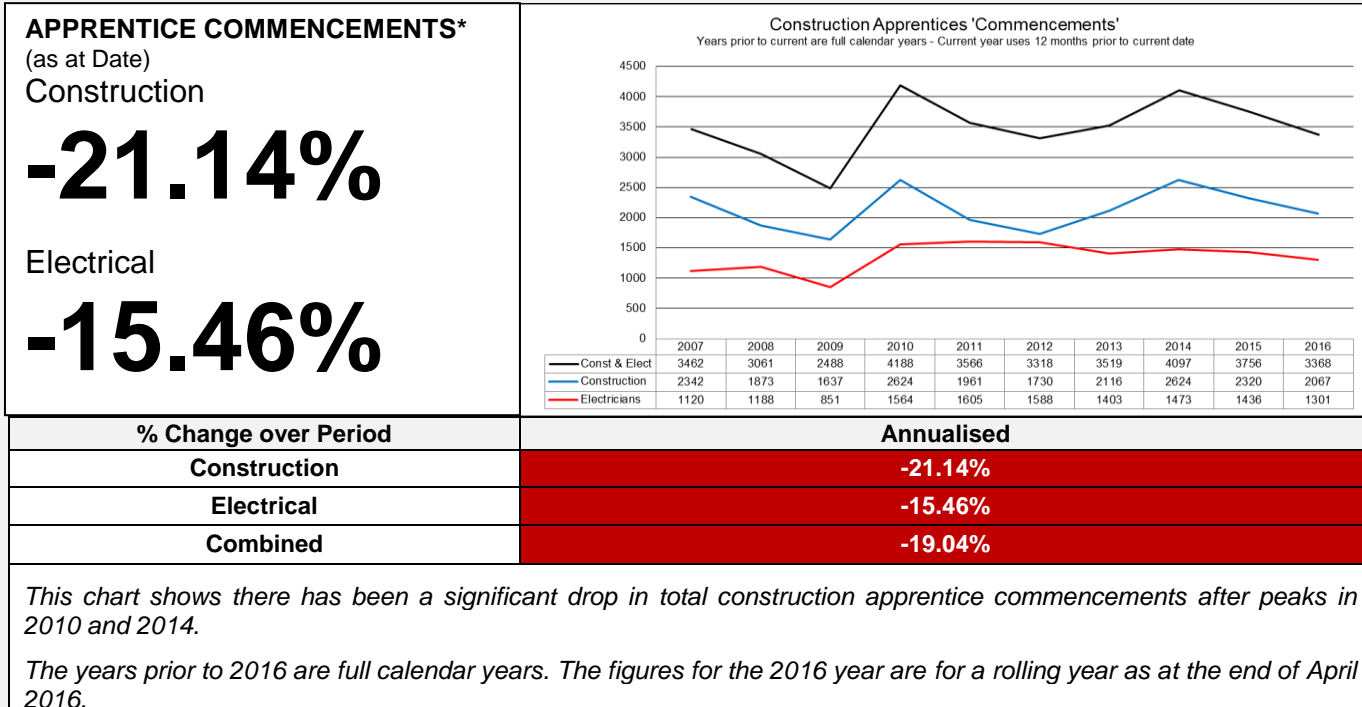
4. Construction Work Done⁸

⁸ Due to ABS release dates and more recent 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 quarter.

¹⁰ Total build is the sum of Residential and Non-residential only- excluding Engineering Construction.

5. Apprentice Commencements ¹¹



¹¹ Commencements are training contracts that have occurred in comparative 12 month periods.

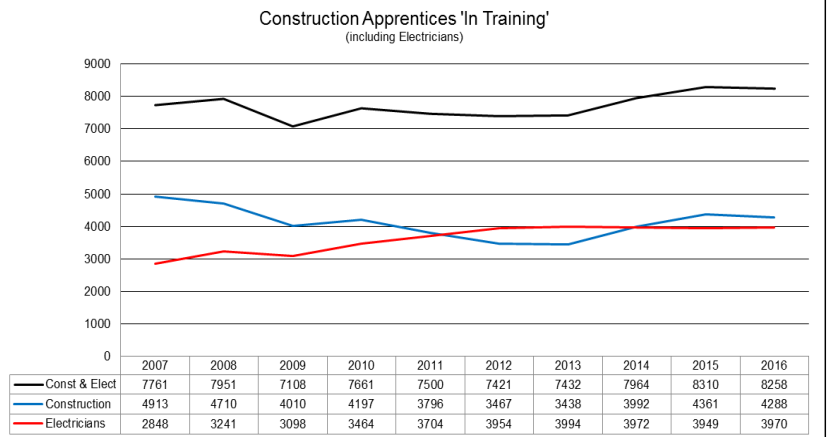
6. Apprentices in Training ¹²

APPRENTICES IN TRAINING
(Year on Year Increase – Point in Time)
Construction

-1.67%

Electrical

+0.53%



% Change over Period	2014-2015	Year on Year (2015-16)
Construction	+9.24%	-1.67%
Electrical	-0.58%	+0.53%
Combined	+4.34%	-0.63%

There are currently 4,288 Building and Construction apprentices and 3,970 electricians in training, second highest combined number recorded. High 'In-Training' numbers are a result of high commencements in the previous three years. There is concern the current drop in 'commencements' will have a negative impact on the 'In Training' figures.

The following table shows the change in the number of 'In Training' Apprentices between 2012 and 2016.

Change in Apprentice Numbers In Training by Trade (2012 – 2016)			
Trade	% change	2016	2012
Electricians	0.4%	3970	3,954
Carpentry & Joinery	13.0%	1395	1,235
Plastering	71.8%	122	71
Plumbing & Gas	10.2%	1,240	1,125
Bricklaying	109.1%	550	263
Painting & Decorating	16.9%	332	284
Roof Plumbing	-3.2%	91	94
Wall & Floor Tiling (Tilelaying)	27.2%	159	125
Wall & Ceiling Fixing	2.6%	160	156
Concreting	85.2%	50	27
Building & Construction (exc Electricians)	23.7%	4,288	3,467
Building & Construction (inc. Electricians)	11.3%	8258	7421

Almost all trades show a sound improvement since 2012, while the 4 'wet trades' have had a significant gain. The overall combined performances of 23.7% and 11.3% respectively indicate a rise since 2012.

7. Apprentice Training Rates ¹³

Over the last four years there has been a decline in the training rates for a number of Construction trades but an increase in others. The significant increase in the size of the workforce has a direct impact on the training rate as the number of apprentices has to grow at the same rate as the number of tradespeople in the workforce to maintain the training rate. The following table shows the change in 'Training Rates' between 2012 and 2016.

Change in Training Rates (2012 – 2016)			
Trade	% change	2016	2012
Electricians	-35.6%	15.0%	23.3%
Carpentry & Joinery	-24.1%	11.7%	15.4%
Plastering	126.1%	3.2%	1.4%
Plumbing & Gas	-12.3%	14.1%	16.1%
Bricklaying	174.3%	9.0%	3.3%
Painting & Decorating	-11.7%	5.0%	5.7%
Roof Plumbing	13.9%	5.4%	4.7%
Wall & Floor Tiling (Tilelaying)	-4.6%	4.0%	4.2%
Concreting	46.2%	1.3%	0.9%

Increases in Bricklaying correspond to a significant increase in commencements in prior years. The decline in Electricians can be directly attributed to a 41.8% increase in tradespeople since 2012 ABS data (Annualised average) ABS 6291.0.55

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

¹³ 'Training Rate' is the number of apprentices 'in training' compared to the number of tradespeople in the same industry as stated by ABS 6291.0.55.003, ST_E08

8. Employment of Females

There are currently 87 female **apprentices** in training. Over the last 10 years, the overall proportion of female apprentices in Construction has risen from 1.3% to 2.1%.

There are currently 86 female **trainees** which is an increase from 3.5% to 10.7% of total trainees over the last 10 years, with a 230% increase in the actual numbers over the last two years. It is believed that one factor is the increased promotion of 'women in trades' subsidies and scholarships. Another factor is the concerted efforts by the Civil Construction sector to employ young women.

Employment of Aboriginal and Torres Strait Islanders

There are currently 161 Aboriginal and Torres Strait Islander (ATSI) **apprentices** in training. Over the last 10 years the overall proportion of ATSI apprentices has risen from 2.7% to 3.7% which remains indicative of the number of ATSI people in the general population.

Currently there are 55 **trainees** in training with an ATSI background, which represents approximately 6.9% of all Building and Construction trainees. This figure represents a concerted effort to recruit Aboriginal and Torres Strait Islanders by the Civil Construction sector.

9. Traineeships in the Industry

The following chart shows the number of **trainees** 'in training' as at the end April 2016.

Note: this chart now includes the Civil Construction Supervisor (Level 4) RII40713 trainees.

Traineeship	ASSISTANT BUILDING SURVEYOR (LEVEL 5)	0
	BITUMINOUS SURFACING (LEVEL 3)	0
	BUILDING AND CONSTRUCTION PARA PROFESSIONAL (LEVEL 2)	1
	BUILDING AND CONSTRUCTION TRADE TRAINEE (LEVEL 2)	55
	BUILDING MAINTENANCE (LEVEL 2)	18
	CIVIL CONSTRUCTION (LEVEL 2)	3
	CIVIL CONSTRUCTION (LEVEL 3)	150
	CIVIL CONSTRUCTION DESIGNER (LEVEL 5)	3
	CIVIL CONSTRUCTION MANAGER (LEVEL 5)	0
	CIVIL CONSTRUCTION SUPERVISOR (LEVEL 4)	171
	DOGGING (LEVEL 3)	0
	DRAINAGE (LEVEL 2)	5
	ESTIMATING (HOUSING) (LEVEL 4)	169
	GENERAL CONSTRUCTION (LEVEL 2)	19
	PIPELAYING (LEVEL 3)	36
	PLANT OPERATIONS (LEVEL 3)	64
	RESIDENTIAL DRAFTING (LEVEL 4)	2
	RIGGING (LEVEL 3)	17
	ROAD CONSTRUCTION AND MAINTENANCE (LEVEL 3)	54
	ROAD MARKING (LEVEL 3)	3
	SCAFFOLDING (LEVEL 3)	5
	SITE MANAGEMENT (LEVEL 4)	154
	STEEL FIXING (LEVEL 3)	11
	TRENCHLESS TECHNOLOGY (LEVEL 3)	36
	Building & Construction (TOTAL)	976

There are currently 976 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. Including the Civil Construction Supervisor Level 4 qualification, there has been an overall 109% increase since the 2009 figure of **470** trainees 'in training'.

