



**Australian Social Trends
2007**

**Article: Training for a
trade**

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SYMBOLS AND USAGES

billion	1,000 million
kg	kilogram
m	metre
n.a.	not available
n.e.c	not elsewhere classified
n.p.	not published
n.y.a.	not yet available
no.	number
'000	thousand
'000m	thousand million
\$	dollar
\$m	million dollars
\$b	billion dollars
\$US	American dollar
%	per cent
*	estimate has a relative standard error of 25% to 50% and should be used with caution
**	estimate has a relative standard error of greater than 50% and is considered too unreliable for general use
. .	not applicable
—	nil or rounded to zero (including null cells)

Where figures have been rounded, discrepancies may occur between the sums of the component items and totals.

Training for a trade

Between 1995 and 2005, the number of trades' apprentices and trainees increased by 39%, from 123,000 to 171,000.

Current labour shortages across a number of trades areas are part of a wider picture of a very tight Australian labour market. Apprenticeships have long been integral to maintaining the number of tradespeople in Australia providing an entry level job for many young Australians who are no longer in full-time education.

Immigration is the other main source of skilled labour, accounting for 17% of new qualified tradespeople in 2004–05. In 2006, 41 trades occupations were included on the Migration Occupations in Demand List which prioritises occupations for Australia's skilled migration intake.¹

This article examines recent trends in trades training and profiles people currently training for a trade. It also presents information on the immigration of tradespeople.

Trends in apprenticeships and trainees

While the total number of apprentices and trainees across all occupations has increased greatly over the past two decades, there have been much smaller increases in the number of apprentices and trainees for trades occupations. In December 2005, there were 391,000 apprentices and trainees, up 170% on the number in 1995 (144,000).² Over the same period the number of trades' apprentices and trainees increased by 39%, from 123,000 to 171,000.²

The NETTFORCE traineeship program, introduced in 1994, boosted numbers in traineeships in the mid 1990s.³ Then, in 1998

Data sources and definitions

This article draws on 'apprenticeship and traineeship' data from the National Apprentice and Trainee Collection produced by the National Centre for Vocational Education Research (NCVER) and data on 'apprentices' from the 2005 ABS Survey of Education and Work (SEW).

Apprentices and trainees are identified by NCVER as people undertaking vocational training through formal contracts of training with their employer. Under these contracts, employers teach apprentices or trainees a range of skills which may involve institutional and/or on the job training. In return, apprentices and trainees work for a set length of time on a training wage.⁴ Estimates are subject to revision.

Trades' apprentices and trainees are people whose apprenticeship or traineeship was in one of the trades occupations in the ASCO – *Australian Standard Classification of Occupations, Second Edition, 1997* (ABS cat. no. 1220.0); Tradespersons and related workers, sub-major groups 41–46 and 49.

Traditional apprentices refer to people employed under a contract of training in a trades occupation, training towards qualification at an Australian Qualifications Framework Skill level III or higher, and the expected duration of that contract is more than two years for full-time workers (or more than eight years for part-time workers).⁴

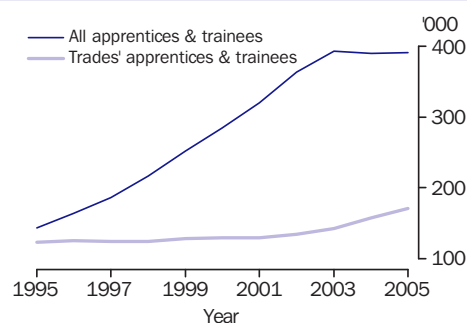
Apprentices identified in SEW are persons aged 15–54 years who have entered into a legal contract (training agreement or contract of training) with an employer, to serve a period of training for the purpose of attaining tradesperson status in a recognised trade.

the New Apprenticeships Scheme was introduced. A major thrust of this initiative was to extend contracted training into industries in which it had been uncommon.² Most of the subsequent increase in the number of people in contracted training was in traineeships rather than apprenticeships and was in training for non-trades occupations.

While growth in total numbers of apprentices and trainees has reached a plateau in recent years, the number of trades' apprentices and trainees increased by 27% between 2002 and 2005. It has been suggested that increases in traditional apprenticeships over the past few years have been driven by the tight labour market and considerable publicity given to skills shortages in traditional trades.⁵

Between 1995 and 2005, increases in the number of apprentices and trainees varied across trades occupation groups. The Construction, Electrical and electronic, and

Apprentices and trainees(a)



(a) The number of apprentices and trainees at 31 December.

Source: NCVER 2006, *Australian vocational education and training statistics: apprentices and trainees, 2005*.

Apprentices and trainees(a)

	Apprentices and trainees		Training rates(b)	
	1995	2005	1996(c)	2005
Trade occupations	'000	'000	%	%
Metal trades	20.1	21.6	10.3	10.3
Automotive trades	21.9	27.4	17.0	21.0
Electrical and electronics trades	15.7	25.6	8.8	13.4
Construction trades	26.6	44.4	9.4	12.9
Food trades	16.1	22.4	19.1	26.8
Printing trades	2.3	1.7	8.6	7.3
Wood and textile trades	5.3	5.5	8.0	9.4
Hairdressers	10.1	12.4	22.1	23.2
Trades' apprentices and trainees(d)	123.1	171.0	11.0	13.5
	'000	'000	%	%
All apprentices and trainees	143.7	390.3	1.9	3.8

(a) The number of apprentices and trainees at 31 December.

(b) Apprentices and trainees as a percentage of all people employed in that group. ABS labour force data from November each year are used as the denominators.

(c) Training rates presented for 1996 rather than 1995 as training rates data for selected trade occupations are not available for 1995.

(d) Total includes other trades not listed above.

Source: NCVET 2006, *Australian vocational education and training statistics: apprentices and trainees, 2005*.

Food trades recorded the highest increases. Printing trades was the only trade occupation recording a decrease in apprentices and trainees between 1995 and 2005 (from 2,300 to 1,700).

...training rates

Contracted training rates are the ratio of apprentices and trainees in an occupation group to all people employed in that group. Over recent decades, apprentices and trainees have increased as a proportion of the workforce. During the 1980s around 2.0% of employed persons were apprentices or trainees.⁴ This decreased to around 1.6% during the recession of the early 1990s and since then has increased to 3.8% in 2005.^{4,2}

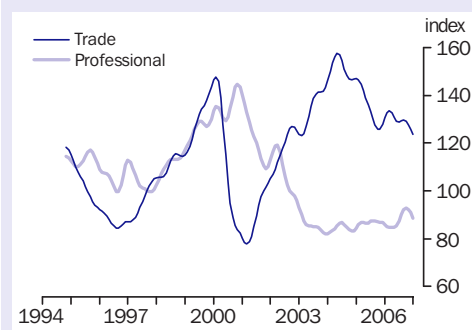
Contracted training rates within trades occupations are much higher than for the workforce as a whole reflecting the importance of contracted training in these occupations. Training rates for trades occupations increased from 11% in 1996 to 14% in 2005. Growth in training rates varied across the trades occupation groups, increasing over the period for Food, Electrical and electronics, Construction and Automotive trades, decreasing for Printing trades and remaining fairly stable for other groups.

Skilled trades vacancies

The Skilled vacancies index is produced by the Department of Employment and Workplace Relations for a number of skilled occupational groups for each state and the Northern Territory. The index is compiled from advertisements in selected metropolitan newspapers and indicates changes in the demand for skilled occupations over time, with 1997 as the reference year.

The Trade vacancies index increased over the mid to late 1990s before dipping around 2001. Since then it has mainly increased and was well above its 1997 levels in March 2006. Despite following a similar trend through the 1990s and early 2000s, the Professional vacancies index has not yet recovered from falls experienced in the early 2000s. The falls may in part reflect changes in recruitment practices for professionals away from newspaper advertising.

Skilled vacancies index(a): Trades and Professionals



(a) November 1997 = 100.

Source: Department of Employment and Workplace Relations, *Vacancy Report March 2007*.

Pathways to trades

Most training for trades continues to be through traditional apprenticeships. In 2005, traditional apprenticeships accounted for more than four-fifths of those commencing contracted training for a trade and seven-eighths of all those currently in contracted training for a trade.² Exceptions are food trades and skilled agricultural and horticultural trades which make more use of traineeships and less of traditional apprenticeships, compared with other trades.²

Another pathway to a trade is to commence contracted training with an employer while at school, through school based apprenticeships. This development has mainly been in lower level qualifications, and in the Retail, Hospitality, Business services and Automotive industries. Aside from Automotive trades, very few traditional apprenticeships were commenced at school in 2005.²

Apprentices(a): selected characteristics — 2005

	'000	%
Sex		
Males	145.5	85.6
Females	24.4	14.4
Age group (years)		
15–19	87.1	51.2
20–24	58.1	34.2
25–54	24.7	14.6
Highest level of school completed		
Year 12	79.2	46.6
Year 11	28.2	16.6
Year 10 or below	62.6	36.8
Selected industry		
Manufacturing	29.4	17.3
Construction	56.9	33.5
Wholesale trade & Retail trade	35.4	20.8
Accommodation, cafes and restaurants	11.1	6.5
Cultural and recreational services & Personal and other services	13.6	8.0
Other	23.5	13.8
Total	169.9	100.0

(a) Persons aged 15–54 years who were employed as apprentices in the survey month.

Source: ABS 2005 Survey of Education and Work.

Selected characteristics of apprentices

The ABS Survey of Education and Work (SEW) identifies apprentices as persons who have entered into a legal agreement (training agreement or contract of training), with an employer, to serve a period of training for the purpose of attaining tradesperson status in a recognised trade. While the SEW series includes some apprentices outside traditional trades occupations, SEW apprentices can be broadly equated with Trades apprentices and trainees as measured by NCVER.

According to SEW, there were an estimated 170,000 people employed as apprentices in 2005. Males were much more likely to be employed as an apprentice than females, with six male apprentices (86%) for every female apprentice (14%).

Apprenticeships have traditionally offered a career path for young people entering the workforce once they complete their schooling. In 2005, 51% of all apprentices were aged 15–19 years and 85% were aged 15–24 years. Almost half (47%) of all apprentices had completed

Australian Apprenticeships

In 1998 the 'New Apprenticeships' scheme was introduced by the Australian Government.³ This scheme covers both traineeships and apprenticeships and in 2006 was renamed 'Australian Apprenticeships'. The scheme was introduced to make existing traineeship and apprenticeship systems more flexible and abolished many of the formal distinctions between these systems. The Australian Apprenticeships scheme provides choice in the duration of training, different mixes of experiential and formal learning, and a choice of training provider for the off the job component. The scheme has also spread contracted training to industries in which it had not been widely used. Training for trades, however, has not changed greatly under the scheme, retaining many of its traditional features.⁶

Year 12 as their highest year of schooling, 17% had completed Year 11, and the remainder had completed Year 10 or below.

In 2005, just over one-third (34%) of all apprentices were employed in the Construction industry. Around one in five (21%) were employed in the Wholesale trade and Retail trade industries and 17% were employed in the Manufacturing industry.

While male apprentices are employed across a range of trade fields and industries, 42% of female apprentices are employed as hairdressers with just under half (47%) employed in Cultural and recreational services and Personal and other services industries.

Importance of trades training among young people

Apprenticeships have traditionally been an important training path for teenagers, particularly males not continuing in full-time education beyond compulsory schooling.

Apprentices as a proportion of young people(a) not in full-time education — 2005

Age group (years)	Apprentices		Total
	%	'000	
Males	15.8	125.8	794.7
15–19	31.3	75.9	242.8
20–24	9.0	49.9	551.9
Females	2.8	19.3	684.7
15–19	5.9	11.2	190.7
20–24	1.7	8.2	494.0
Persons	9.8	145.2	1 479.5

(a) Aged 15–24 years.

Source: ABS 2005 Survey of Education and Work.

In 2005, just over half (53%) of all young people aged 15–24 years and nearly one third (32%) of those aged 15–19 years were not in full-time education.

While one in ten (10%) young people aged 15–24 years who were not in full-time education were employed as an apprentice, higher proportions of young men were employed as apprentices than young women – 16% of men and 3% of women aged 15–24 years, and 31% of men and 6% of women aged 15–19 years.

Recent migration trends: tradespeople

Immigration was once a key source of skilled trades workers, particularly during the post war boom, up to the early 1960s. In 1963–64, nearly one half (47%) of new tradespeople were immigrants.³ The supply of tradespeople from immigration declined rapidly from the late 1960s, with increased apprenticeship intakes compensating for the decline in immigration. In 1984–85, immigration accounted for only 5% of new tradespeople.³

In 2004–05 the net gain of tradespeople from migration was just over 6,000. This compared with 28,900 people who completed a trade apprenticeship or traineeship in 2004–05.⁷ That is, the net gain through immigration provided 17% of new tradespeople.

Most skilled immigration to Australia is of people with non-trade occupations (about 40,000 people in 2004–05). Immigration of tradespeople may increase in the future because a wider range of trade occupations

has been included in the Migration Occupations in Demand list in recent years.⁸ This list assists in prioritising applicants to the skilled migration program. In September 2006, 41 trade occupations were listed.

Endnotes

- 1 Department of Employment and Workplace Relations Media Release 20 September 2006, *Government Revises MODL to Reflect the Labour Market*, viewed 4 June 2007, <<http://mediacentre.dewr.gov.au/mediacentre/ministerandrews/releases/governmentrevisesmodltoreflectthelabourmarket.htm>>.
- 2 NCVER 2006, *Australian vocational education and training statistics: Apprentices and trainees, 2005*, NCVER, Adelaide.
- 3 Ray, J 2001, *Apprenticeship in Australia: an historical snapshot*, NCVER, Leabrook, South Australia.
- 4 Brooks, L 2004, *Australian vocational education and training statistics: Trends in traditional apprenticeships*, NCVER, Adelaide.
- 5 Karmel, T and Virk, G 2007, *What is happening to traditional apprentice completions?*, NCVER, Adelaide.
- 6 Department of Education, Science and Training, *About Australian Apprenticeships*, viewed 4 July 2007, <<http://www.australianapprenticeships.gov.au/about/default.asp>>.
- 7 NCVER 2007, *Australian vocational education and training statistics: Apprentices and trainees, September quarter 2006*, NCVER, Adelaide.
- 8 Birrell, B, Rapson, V and Fred Smith T 2006, *Australia's Net Gains from International Skilled Movement – Skilled Movements in 2004–05 and earlier years*, Centre for Population and Urban Research.

Net gain from migration(a) by occupation — 2004–05

Occupation (selected)	no.
Mechanical Engineering	886
Fabrication Engineering	336
Automotive	683
Electrical and Electronics	966
Construction	1 368
Other trade occupation	1 859
Total Tradespersons	6 098
Total Skilled occupations	45 857
Other occupations	5 271
Total	51 128

(a) Net movements of settlers, residents and visitors stating an occupation.

Source: Birrell, B et al. 2006, *Australia's Net Gains from International Skilled Migration – Skilled Movements in 2004–05 and earlier years*, Centre for Population and Urban Research.

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