

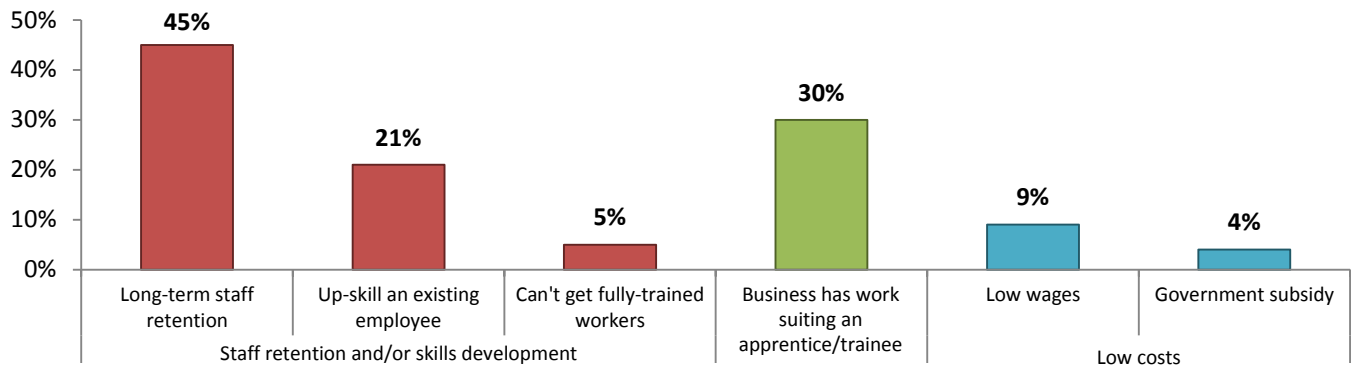


Reasons employers hire an apprentice or trainee

As part of the Department of Employment's *Surveys of Employers' Recruitment Experiences*, employers are asked about their experiences employing an apprentice or trainee. Of the almost 9000 employers surveyed in the 12 months to March 2014¹, 27 per cent employed an apprentice or trainee at the time of the survey.

Around two thirds of employers² said that their primary motivation for employing an apprentice or trainee related to staff retention and/or skills development. Almost one third of employers said that they had work which was highly suited to an apprentice or trainee, while the wages and government subsidies were also acknowledged as a primary motivation for 13 per cent of employers.³

Figure 1: Employers' primary motivation for employing an apprentice or trainee



Employers' primary motivations by industry and workplace size

The survey results suggest that the primary motivation for employing apprentices and trainees varied significantly across industries and by workplace size.

- One in four employers in the *Accommodation and Food Services* industry said that the lower wages motivated them to hire an apprentice or trainee compared with 9 per cent across all industries.
- Employers in *Health Care and Social Assistance* (40 per cent), *Education and Training* (35 per cent) and *Professional, Scientific and Technical Services* (34 per cent) frequently used apprenticeships and traineeships to up-skill existing staff.
- Difficulty recruiting fully-trained workers was the main motivation for 15 per cent of employers in the *Automotive Repair and Maintenance* industry to employ an apprentice or trainee (compared with 5 per cent for all industries). This result reflects the ongoing skill shortages for Automotive Tradespersons across the country.
- Large workplaces were more likely to use apprenticeships and traineeships to up-skill an existing employee, while workplaces with fewer staff were more likely to use them to overcome difficulties recruiting fully trained workers.

Detailed results by industry and workplace size are provided in Attachments A – D.

Challenges employing an apprentice or trainee

Fewer than one in five employers said that they had experienced any major challenges employing an apprentice or trainee, significantly lower than in previous years. In particular, employers were less likely to report major challenges associated with apprentices or trainees not having basic work readiness or soft skills such as motivation, interpersonal skills or maturity. This result coincides with a 26 per cent decline in apprenticeship and traineeship commencements in the year to December 2013⁴ and an increase in job seeker numbers across the country which is likely to have enabled employers to select from a greater number of candidates with the skills for which they were looking.

Table 1: Employers who experienced any major challenge employing an apprentice or trainee

Survey period	% of employers who had a major challenge employing an apprentice/trainee...	
	lacking soft skills/work readiness	any challenge ⁵
12 months to March 2014	10%	18%
12 months to March 2013	14%	25%

¹ See Attachment C for a list of the regions surveyed in the 12 months to March 2014.

² Surveyed employers who employed an apprentice or trainee in the 12 months to March 2014.

³ Some employers provided more than one reason for employing an apprentice or trainee.

⁴ *NCVER Apprentices and Trainees 2013 - December quarter* <http://www.ncver.edu.au/publications/2726.html>. NCVER note that the recent decline appears to be primarily due to the removal of Commonwealth commencement incentive payments for apprenticeships and traineeships not on the National Skills Needs List.

⁵ See attachment E for more detail on other challenges.

Attachment A: Responding employers who employed an apprentice or trainee

Industry of business	Proportion of employers who employed an apprentice or trainee	Number of employers who employed an apprentice or trainee
Other Services	44%	243
<i>Automotive Repair and Maintenance</i>	54%	144
Construction	43%	334
Health Care and Social Assistance	37%	387
<i>Child Care Services</i>	62%	249
Manufacturing	36%	442
Accommodation and Food Services	26%	254
<i>Food and Beverage Services</i>	33%	204
<i>Accommodation*</i>	14%	50
Education and Training*	25%	55
Retail Trade	19%	303
Professional, Scientific and Technical Services*	18%	83
Wholesale Trade*	17%	99
Rental, Hiring and Real Estate Services*	16%	51
Transport, Postal and Warehousing*	15%	56
All industries	27%	2425

Note:

* indicates results should be treated with caution due to a small number of employers (50 to 99) who employed an apprentice or trainee in the 12 months to March 2014.

All industries includes industries not reported in the table due to a very small number of employers (<50) who employed an apprentice or trainee in the 12 months to March 2014.

Attachment B: Main reasons for employing an apprentice or trainee by industry

Industry of business	Main reasons for having an apprentice or trainee						
	Low wages	Government subsidy	Business has work suiting apprentice/trainee	Can't get fully-trained workers	Long-term staff retention	Up-skill an existing employee	Other reasons
Other Services	7%	3%	39%	11%	54%	8%	8%
<i>Automotive Repair and Maintenance</i>	8%	2%	31%	15%	59%	5%	8%
Construction	9%	4%	35%	4%	57%	10%	11%
Health Care and Social Assistance	7%	6%	22%	3%	35%	40%	9%
<i>Child Care Services</i>	8%	6%	20%	3%	40%	37%	10%
Manufacturing	8%	4%	26%	7%	52%	14%	9%
Accommodation and Food Services	25%	6%	37%	2%	33%	23%	6%
<i>Food and Beverage Services</i>	25%	6%	35%	2%	33%	23%	6%
<i>Accommodation*</i>	22%	4%	46%	4%	32%	22%	8%
Education and Training*	5%	13%	29%	2%	38%	35%	7%
Retail Trade	8%	3%	28%	5%	46%	25%	8%
Professional, Scientific and Technical Services*	4%	2%	25%	2%	29%	34%	14%
Wholesale Trade*	10%	6%	26%	6%	43%	21%	14%
Rental, Hiring and Real Estate Services*	0%	2%	29%	10%	53%	20%	6%
Transport, Postal and Warehousing*	2%	0%	27%	7%	45%	23%	9%
All industries	9%	4%	30%	5%	45%	21%	9%

Note:

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All industries includes industries not reported in the table due to a very small number of employers (<50) who employed an apprentice or trainee.

Attachment C: List of regions surveyed

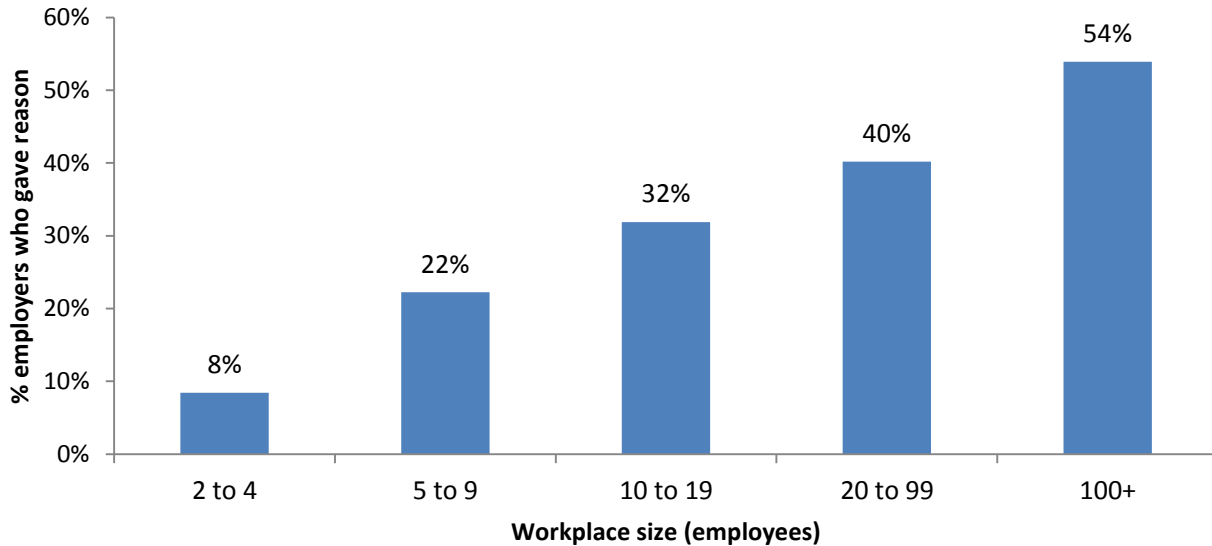
The table below lists all regions surveyed in the 12 months to March 2014. Regions are classified as one of the following: Employment Service Area (ESA), Priority Employment Area (PEA) or Regional Development Australia (RDA) region.

Region	State	Month of survey
Illawarra PEA (A)	NSW	May-13
South West Perth PEA and Peel RDA region	WA	May-13
Canterbury-Bankstown and South Western Sydney PEA (A)	NSW	Jun-13
North Western Melbourne PEA	VIC	Jun-13
Capricornia ESA	QLD	Jul-13
Cairns PEA	QLD	Jul-13
South Eastern Melbourne PEA	VIC	Aug-13
Richmond-Tweed and Clarence Valley PEA	NSW	Aug-13
Alice Springs ESA	NT	Aug-13
Geelong PEA	VIC	Sep-13
Central Coast-Hunter PEA	NSW	Sep-13
Mid-North Coast PEA	NSW	Sep-13
North Eastern Victoria PEA	VIC	Oct-13
Gladstone ESA	QLD	Oct-13
Central Victoria PEA	VIC	Nov-13
Pilbara RDA region	WA	Nov-13
Bundaberg-Hervey Bay PEA	QLD	Dec-13
Port Augusta-Whyalla-Port Pirie PEA	SA	Dec-13
Sydney West and Blue Mountains PEA	NSW	Dec-13 / Feb-14
Goldfields/Esperance ESA	WA	Feb-14
Illawarra PEA (B)	NSW	Feb-14
Windamere ESA	NSW	Feb-14
Canterbury-Bankstown and South Western Sydney PEA (B)	NSW	Mar-14
Caboolture-Sunshine Coast PEA	QLD	Mar-14

Attachment D: Selected results by workplace size (employees)

Proportion of employers who employed an apprentice/trainee

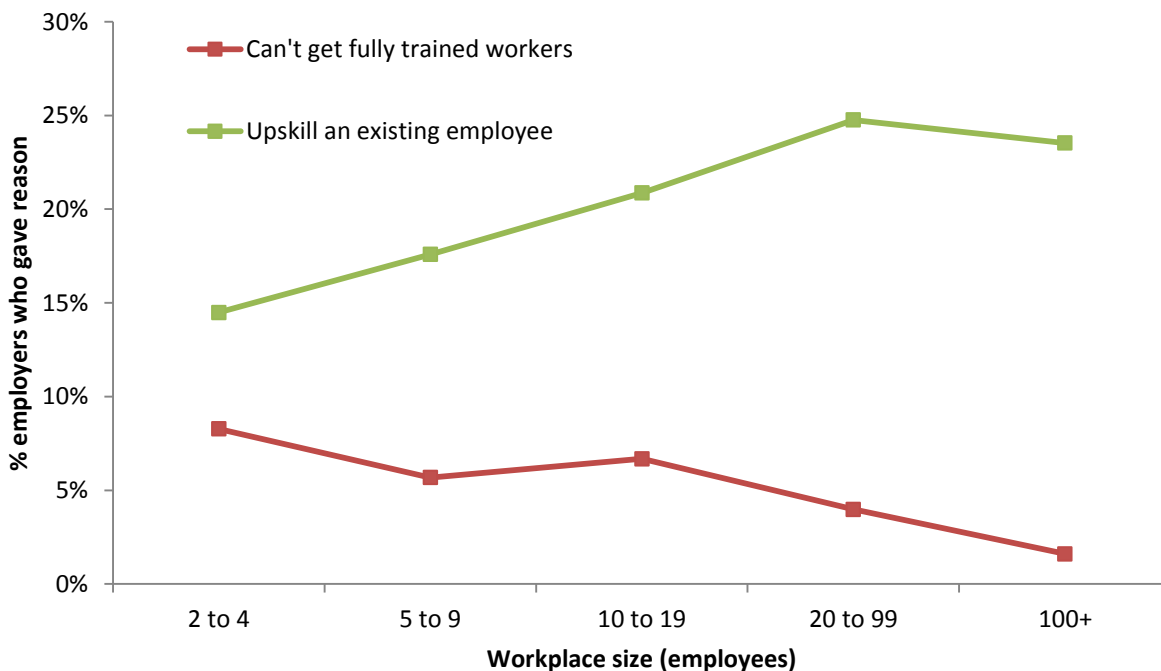
As shown in the graph below, larger workplaces were more likely to employ an apprentice or trainee.



Reasons for having an apprentice - trends by workplace size

Larger workplaces more frequently responded that they employed an apprentice or trainee to *up-skill an existing employee*.

Smaller workplaces more frequently responded that they employed an apprentice or trainee because they *can't get fully trained workers*.



Attachment E: Challenges experienced employing an apprentice or trainee across time

Period	Challenges experienced by employers with an apprentice or trainee								
	Lacking basic literacy/ numeracy skills	Lacking general work readiness/ soft skills	Don't complete/ stay long enough	Difficulties meeting mandatory training requirements	Quality of mandatory training organisations	Cost of apprenticeship/ day-to-day	Lack of suitable staff to train/supervise	Other challenges	<i>Any challenge</i>
<i>12 months to March 2012</i>	1%	14%	6%	2%	2%	2%	2%	4%	28%
<i>12 months to March 2013</i>	1%	14%	6%	2%	2%	2%	1%	4%	25%
<i>12 months to March 2014</i>	1%	10%	6%	2%	2%	1%	0%	3%	18%

Note:

Some employers reported more than one challenge in employing an apprentice or trainee.