



Australian Government



Jobs and Skills Australia

Strategic Review of the Australian Apprenticeship Incentive System

Further analysis on income outcomes
by detailed occupation

July 2024

Context and summary

JSA has provided input to the Strategic review to the Australian Apprenticeship Incentive System. This follow up analysis provides a deep dive on income by occupation. It compares the incomes for young (under 25) new entrants into occupations that could involve an apprenticeship or non-apprenticeship pathway (therefore excluding occupations where above 75% and below 10% cohort have an apprenticeship pathway, and high skilled occupations). The analysis draws on JSA's Skills Tracker data asset, using information from DEWR's Australian Apprenticeships Incentives Program data.

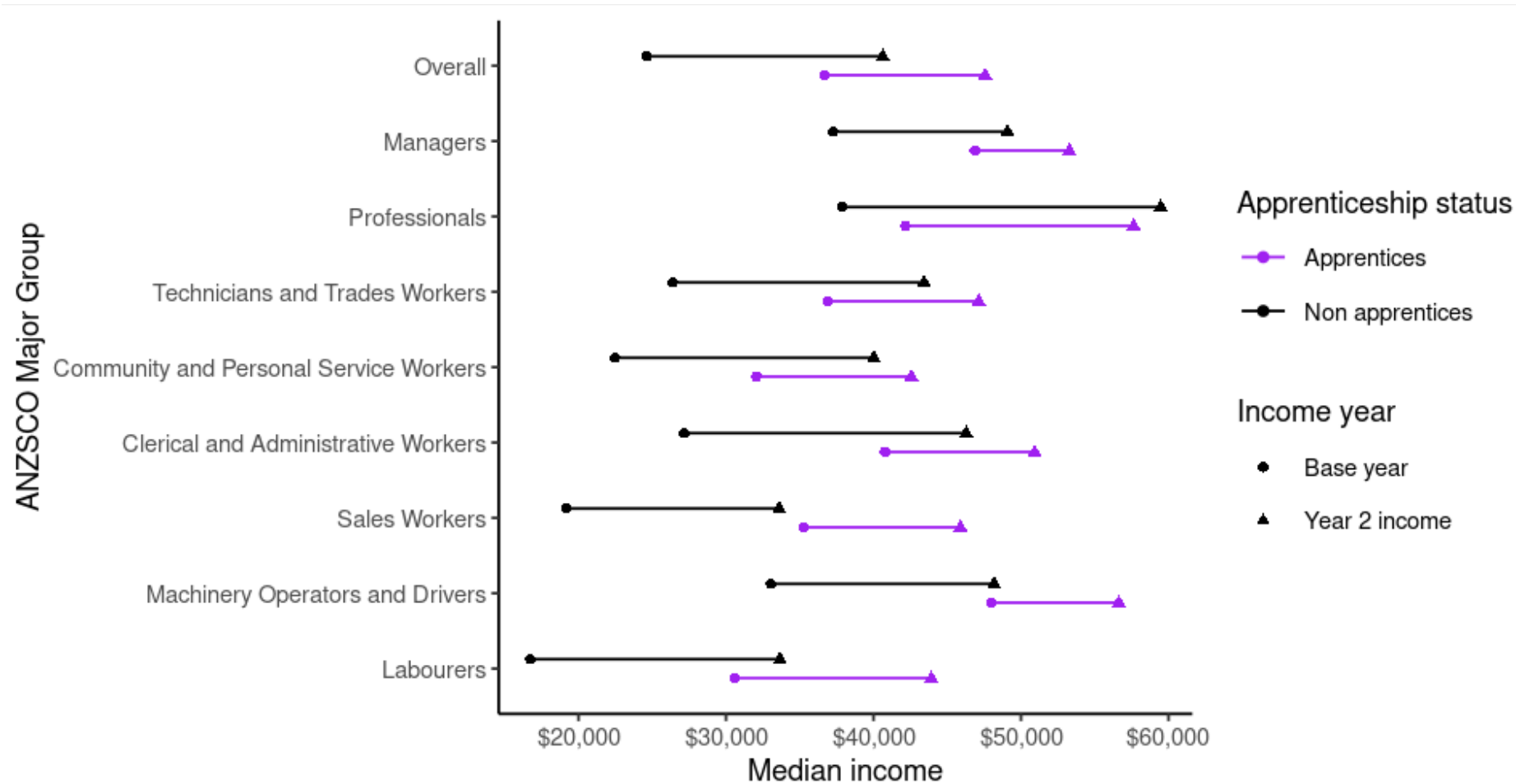
The detailed occupation outcomes provide the top 10 and bottom 10 occupations (At ANZSCO unit group level) associated with the largest difference between apprenticeship and non-apprenticeship pathways at the two-year income mark. A further deep dive is conducted for 'Trades and Technicians'.

The results are consistent with previous analysis at the ANZSCO major group level, where income for those with an apprentice pathway for a given occupation tend to be higher than non-apprentices for the same occupation. This likely reflects a number of factors such as differences in hours worked, or employment hours and structures under an apprenticeship compared to an open entrant into an occupation, which should be noted as caveats.

An additional quality assurance exercise has also been undertaken to ensure the methodology accurately reflects the data extraction. The range of metrics provided in our original analysis, including change in income, retention in relevant occupation after a few years, and higher employment rates, all point to the positive outcomes for a majority of occupations in scope. The underlying data has been cleared by ABS for further analysis.

Median income - ANZSCO Major Group

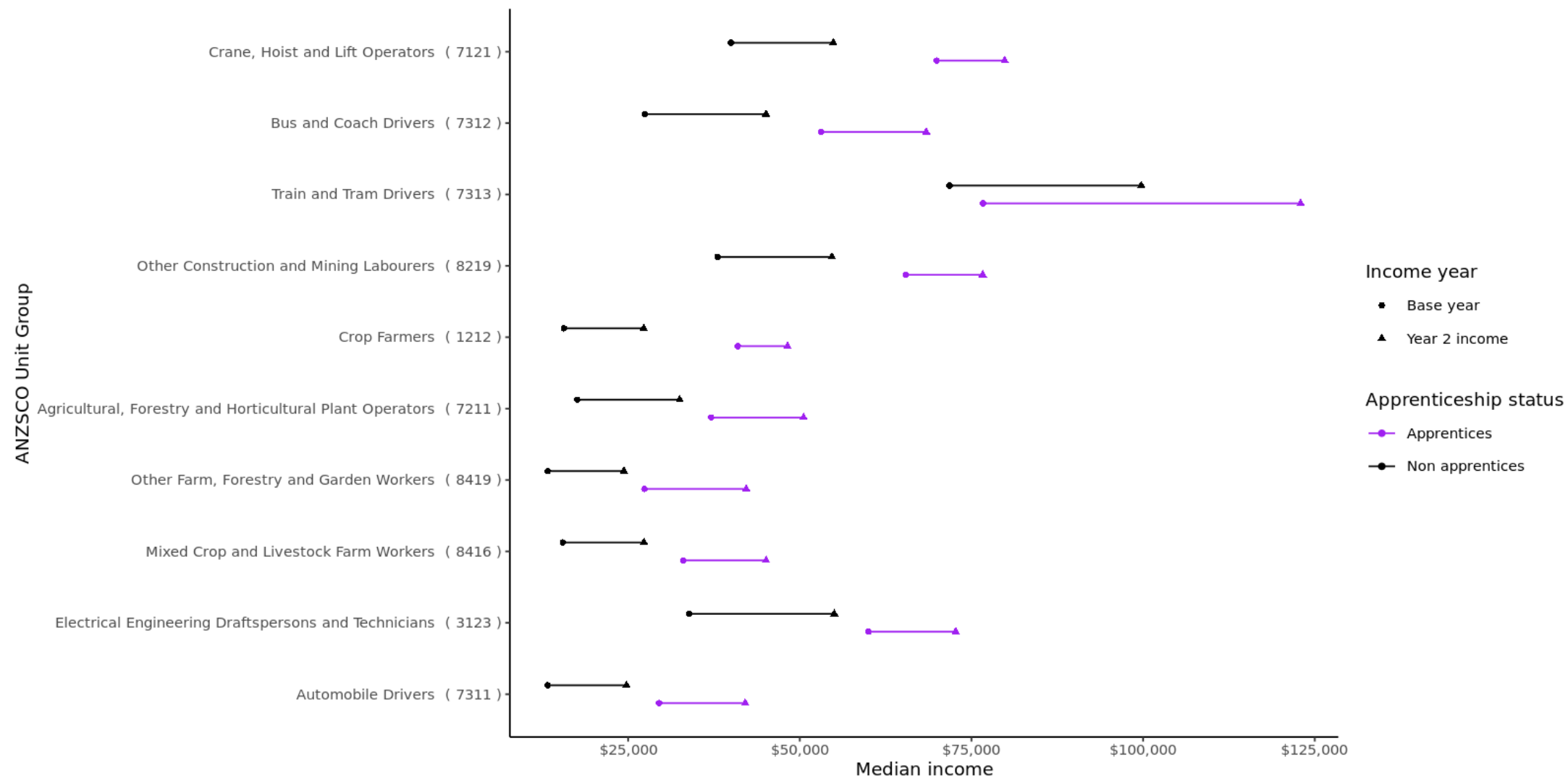
- Overall, apprentices have a higher starting income (\$36,700 vs \$24,600) as well as a higher income 2 years later (\$47,600 vs \$40,600). This is the case for all ANZSCO groups except Professionals, which have the least occupations in scope.
- The income differences two years on are particularly large for Apprentices who are **Labourers** (\$43,900 vs \$33,700) and **Sales Workers** (\$45,900 vs \$33,600).



Median income

– occupations with highest difference between apprentices and non-apprentices

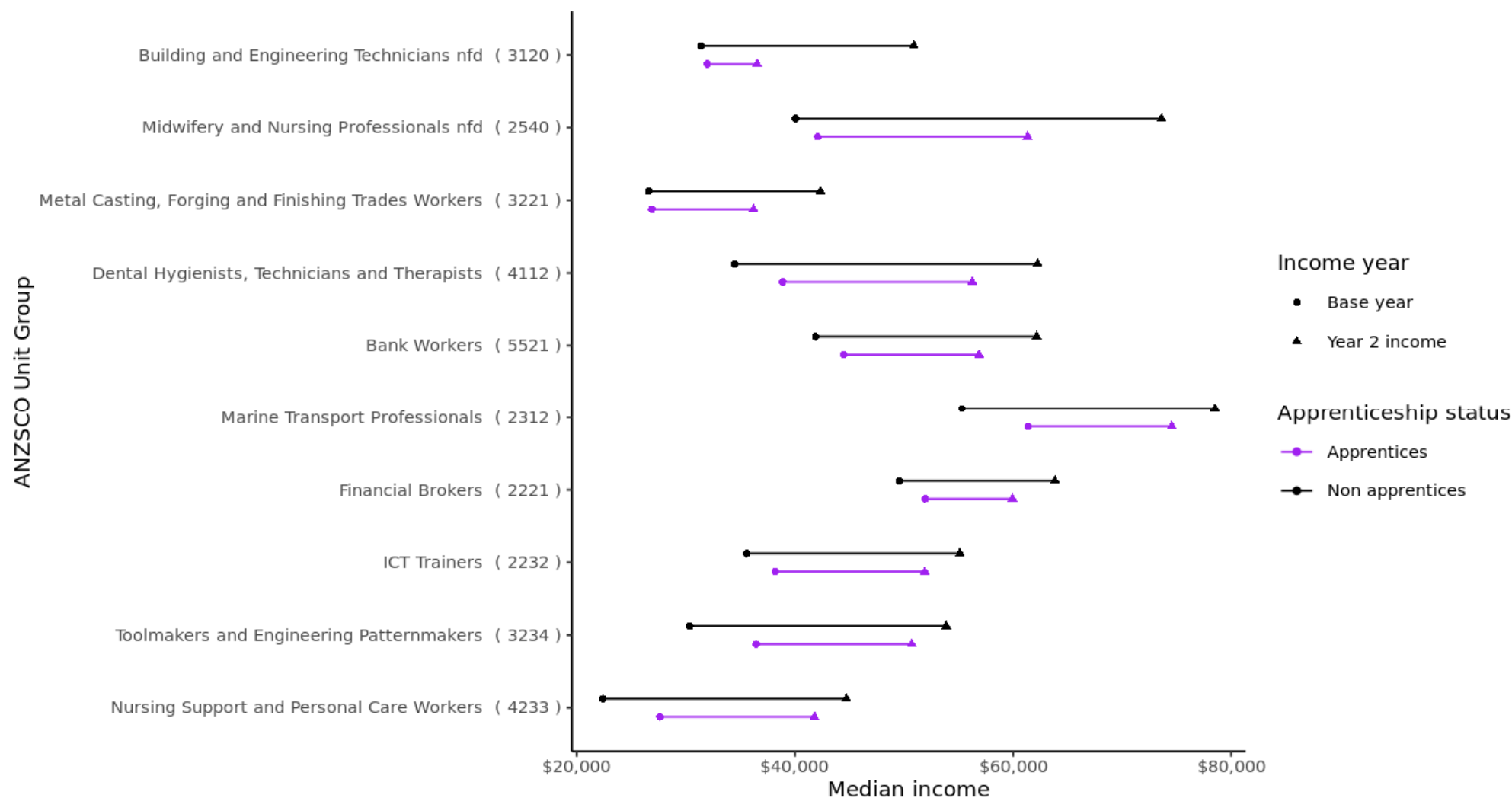
- For top occupations with the highest difference between apprentices and non-apprentices at the two-year mark, four are associated with the **Agriculture** job family.
- The highest difference is observed for Crane, Hoist and Lift Operators, with a starting WPI adjusted income of \$69,900 for apprentices compared to non-apprentices (\$40,000) in the base year and an income of \$79,800 for apprentices compared to non-apprentices (\$54,900) two years later.



Median income

– occupations with lowest difference between apprentices and non-apprentices

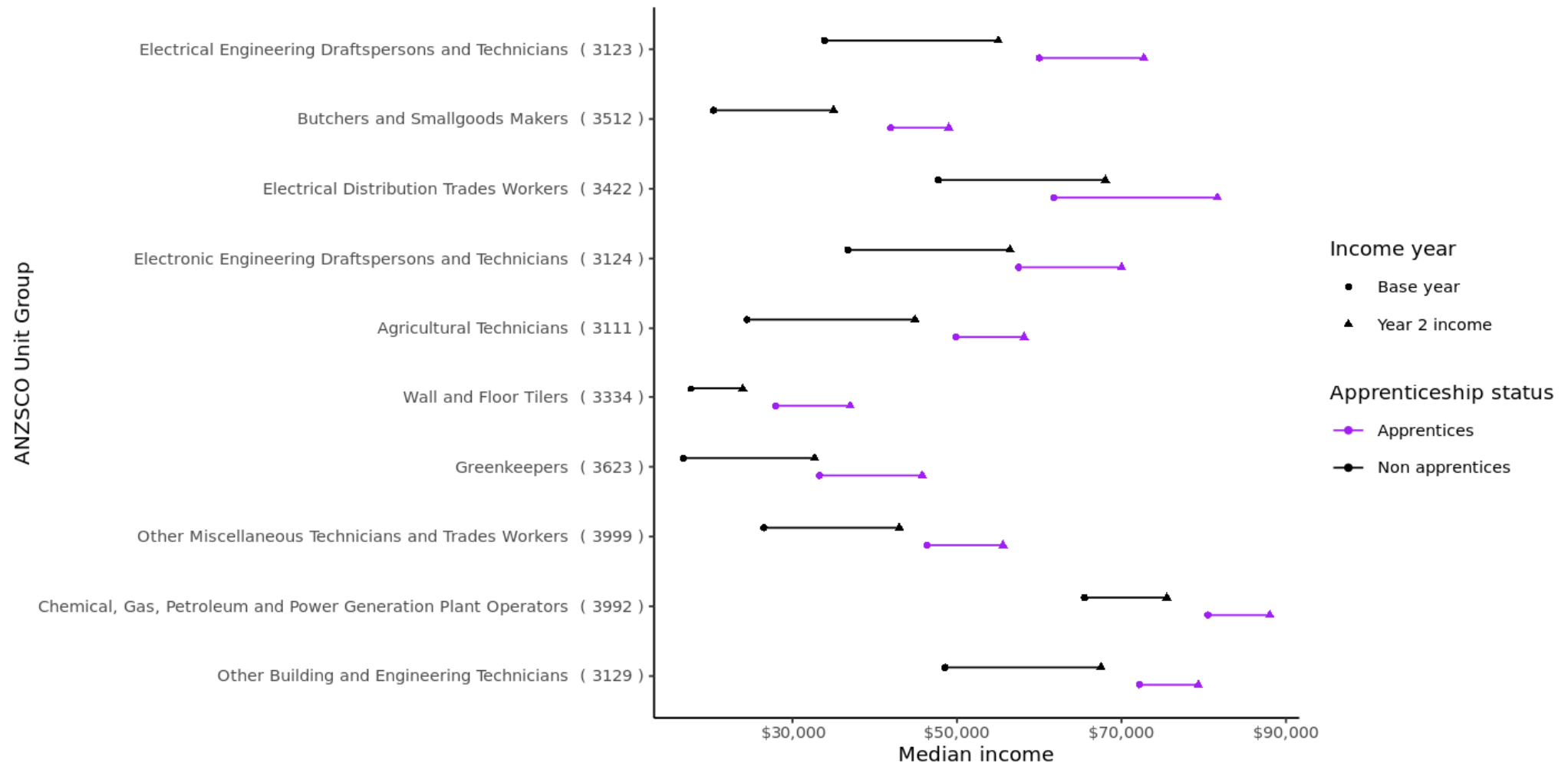
- For top occupations with the lowest difference between apprentices and non-apprentices at the two-year mark, four are associated with the **Professionals** ANZSCO Major Group.
- The lowest difference (where non-apprentices income are higher than apprentices income) is observed for Building and Engineering Technicians nfd, with a starting WPI adjusted income of \$32,000 for apprentices compared to non-apprentices (\$31,400) in the base year and an income of \$36,550 for apprentices compared to non-apprentices (\$50,900) two years later.



Median income

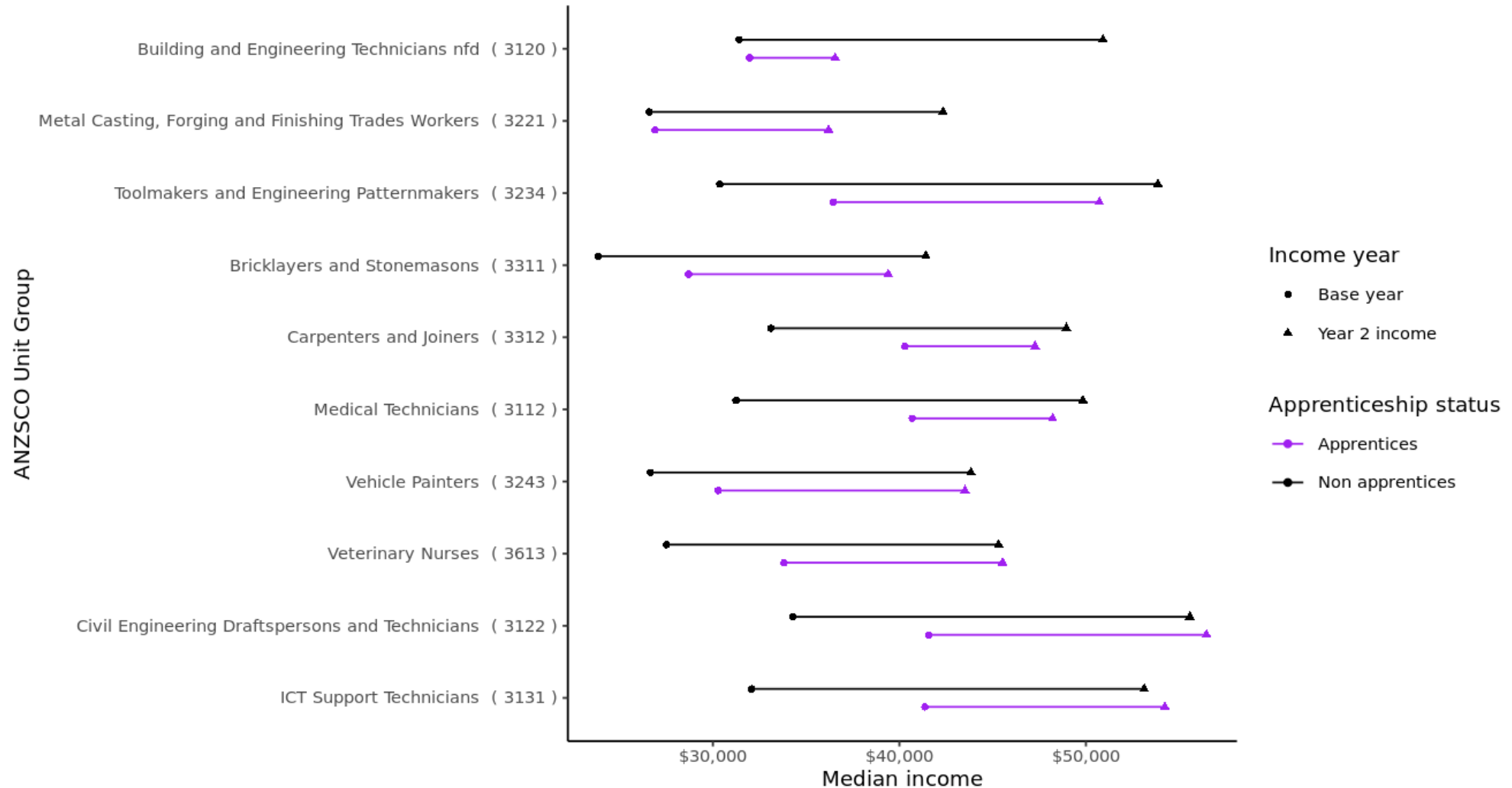
– Trades occupations with highest difference between apprentices and non-apprentices

- For 'trades and technicians' occupations, the top occupations with the highest differences between apprentices and non-apprentices are associated with a range of vocations.
- The highest difference between apprentices and non-apprentices after two years are associated with Electrical Engineering Draftpersons and Technicians, where the post two-year median income for apprentices is \$72,700 compared to \$55,025 for non-apprentices



Median income – Trades occupations with lowest difference between apprentices and non-apprentices

- For 'Trades and Technicians' occupations with the lowest difference between apprentices and non-apprentices at the two-year mark, the lowest difference (where non-apprentices income are higher than apprentices income) is observed for Building and Engineering Technicians nfd, with a starting WPI adjusted income of \$32,000 for apprentices compared to non-apprentices (\$31,400) in the base year and an income of \$36,550 for apprentices compared to non-apprentices (\$50,900) two years later.



Methodology notes

Key definitions

- Apprenticeship/non-apprenticeship pathway: An individual enrolled/did not enrol in an apprenticeship prior to or in the same financial year as entering an occupation.
- The individuals in scope are aged 25 years old and below and entered an occupation between 2011 and 2019 FY.
- Individuals are aggregated to the occupation to which they entered at the Unit Group (4-digit) level. There are 239 Unit Groups with skills levels 2 to 5 and where the apprenticeship pathway is between 10% and 75%.

Outcome measures definitions

- Apprenticeship pathways: Australian Apprenticeships Incentives Program data is used to cross check for records and dates of apprenticeship enrolments.
- Median post-completion income: Median income is calculated from 2011-2022 ATO income tax return (ITR) data and payment summary data for subsequent tax years for all new entrants into an occupation, by apprenticeship pathway.

Note: The analysis uses occupation reported in ATO data as the main unit of analysis and identifies people working in different occupations who had enrolled in any kind of apprenticeship or traineeship. Some people may have been working in occupations that were not relevant to their apprenticeship enrolment.