

# Labour Market Research – Construction Trades

## South Australia

September 2018

ANZSCO Code	Occupations in cluster	Rating
3311-11	Bricklayer	Shortage
3311-12	Stonemason*	Shortage
3312	Carpenters and Joiners	Shortage
3322-11	Painting Trades Workers	Shortage
3331-11	Glazier*	Shortage
3332-11	Fibrous Plasterer	Shortage
3334-11	Wall and Floor Tiler*	Shortage
3341	Plumbers	No Shortage

\* Occupations assessed at the national level, separate rating not available for South Australia

### Key issues

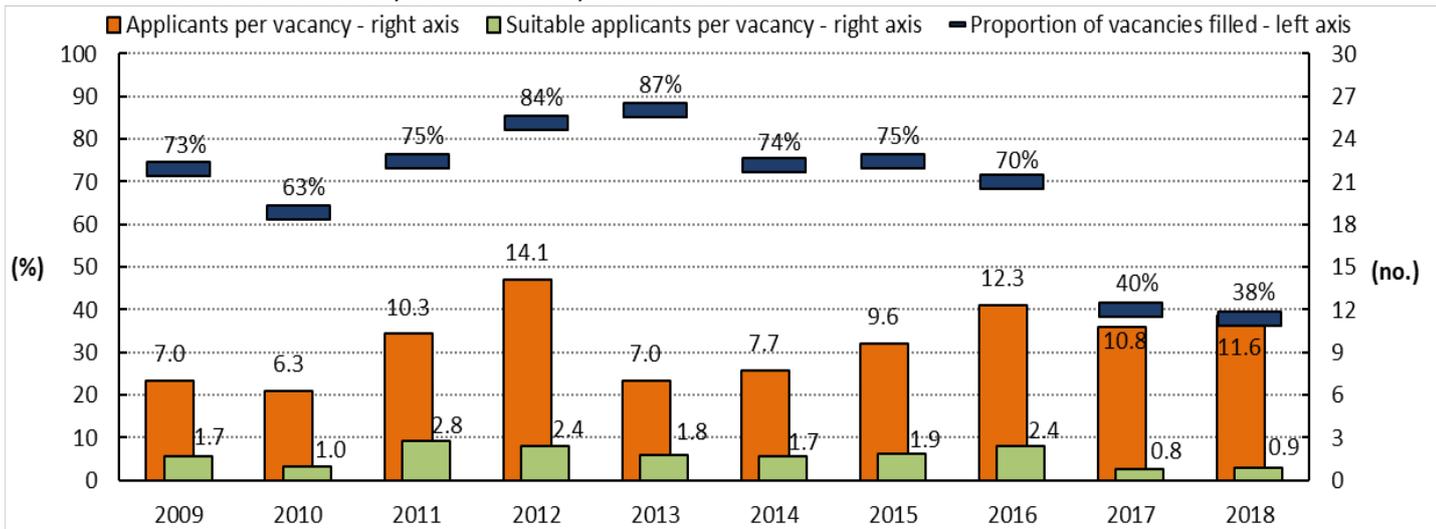
- The South Australian labour market for construction trade workers has tightened for the third consecutive year.
- Of the six occupations surveyed at a state level five were rated in shortage, with carpenters and joiners declining from being rated in recruitment difficulty in 2017 to being in shortage in 2018.
- All nationally assessed occupations remained in shortage in 2018, continuing the trend from the 2017 results.
- Construction activity appeared steady, as did the value of building work yet to be done.
- In general, supply to the workforce has declined over the past few years, as indicated by a reduction in the number of construction trades apprenticeship completions.

### Survey results<sup>1</sup>

- The 2018 survey of employers who had recently advertised for construction tradespersons found that 38 per cent of vacancies were filled within four weeks, compared to 40 per cent in 2017. This is well below the five year average of 60 per cent.
  - The amount of vacancies being filled have continued to decline dramatically since 2013 where the proportion of vacancies filled were at a high of 87 per cent of vacancies filled.
  - Suitable applicants per vacancy have remained on par in the last two years with figures at (0.9) in 2018 and (0.8) in 2017.
  - It is important to note that although the average number of suitable applicants was low (0.9) in 2018 there was an average of 11.6 applicants per vacancy. There had also been an increase in the number of suitable applicants since 2017, with 3.0 in 2018 in comparison to 2.6 in 2017.
- The proportion of vacancies filled in the metropolitan area was at 36 per cent with an average number of 0.7 suitable applicants per vacancy.
- In regional areas, 57 per cent of vacancies were filled with an average number of 3.1 suitable applicants per vacancy.
- The average number of applicants per vacancy is on par with 11.7 in metropolitan areas and 10.6 in regional areas.

<sup>1</sup> Survey of Employers who have Recently Advertised Labour Economics Office South Australia  
Labour Economics Office South Australia  
Department of Jobs and Small Business

**Figure 1: Proportion of vacancies filled (%), average number of applicants and suitable applicants per vacancy (no.), Construction trades, South Australia, 2009 to 2018**



Source: Department of Jobs and Small Business, Survey of Employers who have Recently Advertised

### Unsuitable applicants

- Employers reported attracting 11.6 applicants per vacancy; however, 67 per cent of qualified applicants were considered unsuitable.
- The main reason for unsuitability included:
  - Lack of basic and additional qualifications or specific experience. Some applicants were unsuitable due to remuneration expectations.
  - Applicants were unsuitable because they could not demonstrate sufficient work experience, or work experience in a specialised field.
  - Other reasons for unsuitability included lack of sufficient technical skills and competency in the role. There were also applicants that lived too far from the place of work or were not happy to take the job due to the remuneration offered.
  - Several applicants failed to present for trial and or interview and were therefore deemed unreliable.
  - In addition, some unsuitable applicants lacked the relevant building and workplace safety licenses, ABN or access to own transport required by employers.
  - A high number of employers claimed applicants were unreliable and lacked a good work ethic.

### Demand and supply trends

- Some surveyed employers noted residential construction activity was stable, consistent with available data that shows overall, the construction activity in South Australia appears strong despite some indicators of steady activity. Employment of bricklayers, carpenters and joiners, painting trade workers, fibrous plasterers and plumbing trades is predominant in the construction industry.
  - The total value of building work done in South Australia increased in March 2018 compared with March 2017 and was above the five-year average.<sup>2</sup>
  - The value of work building work commenced in South Australia has increased in March 2018 in comparison to March 2017, a 5.7 per cent increase compared with the previous 12 months.<sup>3</sup>

<sup>2</sup> ABS, Building Activity, Australia, Cat. No. 8752.0, Table 16, series type seasonal

<sup>3</sup> ABS, Building Activity, Australia, Cat. No. 8752.0, Table 34, series type seasonal

- South Australian residential building approvals increased slightly in the year to May 2018,<sup>4</sup> which provides an indication of future demand, the number of building approvals remain well above the five-year average.<sup>5</sup>
- Trade availability in Adelaide has continued to decrease since March 2016 with the biggest decrease from March to June quarter 2018 with a decline of (-0.39).<sup>6</sup>
- A HIA Trades Report has indicated that South Australia has maintained a relatively balanced supply of trades in recent years, but the deterioration in the availability of trades in South Australia reflects a growth in the number of multi-story apartment projects in the market.<sup>7</sup>
  - HIA data determined that carpentry remains one of the trades in shortest supply.<sup>8</sup>

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<sup>4</sup> ABS, Building Approvals, Australia, Cat. No. 8731.0 Table 4, series type seasonal

<sup>5</sup> ABS, Building Approvals, Australia, Cat. No. 8731.0, Table 33, series type seasonal

<sup>6</sup> HIA Trades Report

<sup>7</sup> HIA Trades Report

<sup>8</sup> HIA Trades Report