



Construction Trades

Australia, November 2018



44%
of vacancies filled



7.0 applicants
(on average, per vacancy)



3.0 qualified applicants
(on average, per vacancy)



1.0 suitable applicants
(on average, per vacancy)



41% of employers
attracted no suitable applicants

Key research findings¹

- The labour market for construction trade occupations has been tightening progressively since 2013 (see Figure 1).
 - In 2018, the proportion of vacancies filled fell to a historically low level.
 - Advertised positions attracted, on average, one suitable applicant per vacancy.
 - Around 41 per cent of employers did not attract any suitable applicants.
- Shortages continue to be much more prevalent in the eastern states than in Western Australia, where more than three quarters of surveyed vacancies were filled.

Recruitment difficulties

- Eight of the nine construction trade occupations assessed in 2018 were found to be in national shortage (see Figure 2). Five years ago, only one of the same nine occupations (stonemason) was in shortage.
- Around 85 per cent of vacancies advertised in 2018 required applicants to be trade qualified. Although employers received an average of three qualified applicants per vacancy, two thirds were considered unsuitable.
- The main reason qualified applicants were unsuitable was a lack of either general experience or specific experience relevant to the role. Other common reasons were inadequate technical skills and failure to present for a work trial or interview.
- Recruitment experiences across metropolitan and regional areas were much more similar in 2018 compared with recent years (Table 1).

Table 1: Survey results, Construction Trades, Australia, 2018, by employer location

	Capital city	Rest of state
Proportion of vacancies filled (%)	43	46
Suitable applicants (avg. no. per vacancy)	0.9	1.2

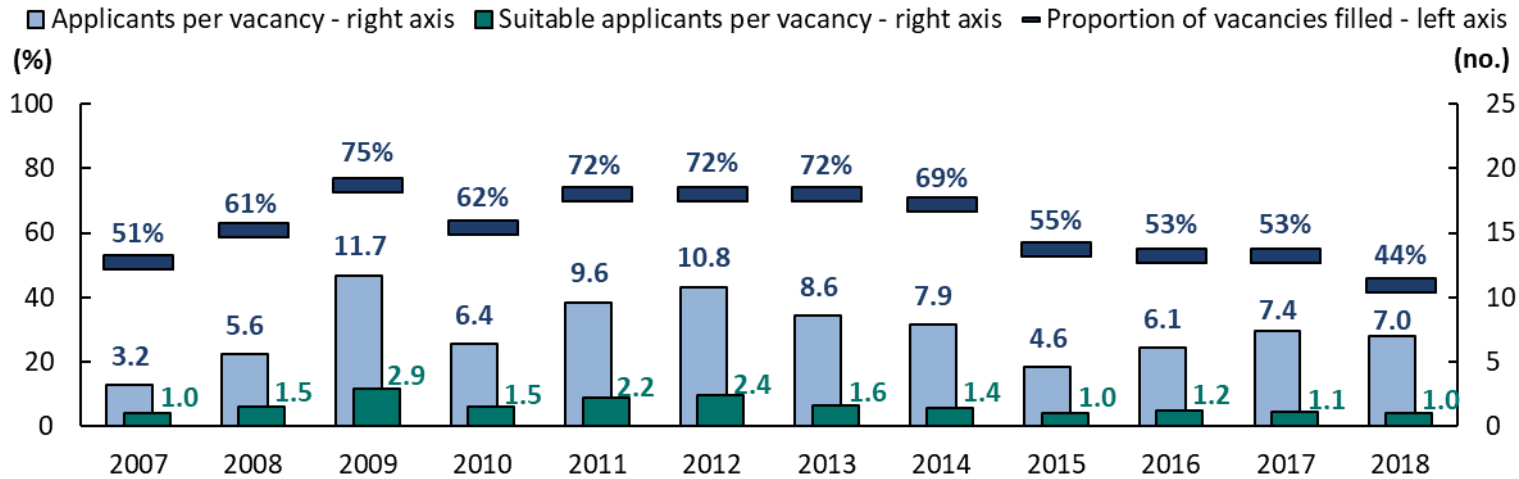
Supply and demand²

- Despite the tight labour market, the overall demand for construction trades has begun to ease, and supply is increasing.
 - Over the five years to August 2017, employment of construction trades workers grew at an annualised rate of 3.0 per cent. Growth over the year to August 2018, however, slowed to 1.7 per cent, compared with 2.5 per cent for all occupations.
 - Similarly, while the number of internet advertised vacancies for construction trades workers increased by 61 per cent over the five years to September 2017, vacancy levels fell by 15 per cent in the year to September 2018.
- After a period of growth, future construction activity levels may be lower.
 - The value of building work done in the year to June 2018 increased by 5 per cent. However, the value of total building work in the pipeline fell in the June quarter by 2 per cent after 13 consecutive quarters of growth.
 - Some commentators suggest that construction in Western Australia may have plateaued following its post-mining boom contraction, although any upturn and flow-on effects on the labour market may take some time to become apparent.
- National employment of construction trades workers is projected to grow by 6.5 per cent over the five years to May 2023, compared with 7.1 per cent for all occupations.
- Supply to the construction trades has begun to improve after a period of decline.
 - Apprenticeship completions fell by around 24 per cent between March 2014 and March 2017, but increased by 9 per cent over the year to March 2018.
 - There was also a 7 per cent increase in commencements over the year to March 2018, suggesting further growth in supply to the construction trades in the future.

¹ The methodology for this research is outlined at [Skill Shortage Research Methodology | Department of Jobs and Small Business](#). Visit the [skill shortages website](#) for more detailed information on each occupation in this cluster.

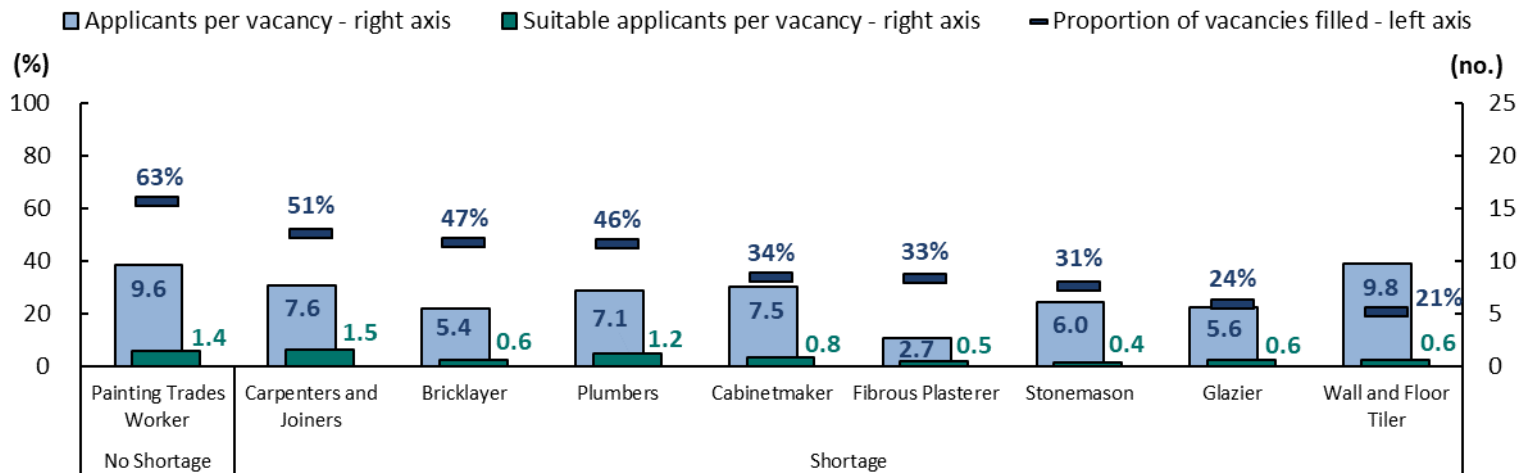
² Sources: ABS, Labour Force, Department of Jobs and Small Business trend; Department of Jobs and Small Business, Internet Vacancy Index; ABS, Building Activity, Australia, June 2018; HIA, Trades Report, June 2018, Department of Jobs and Small Business, Occupational Projections to May 2023; NCVET, Apprentices and Trainees, March 2018, estimates (limited to certificate III, year ending March)

Figure 1: Proportion of vacancies filled (%), average number of applicants and suitable applicants per vacancy (no.), Construction Trades, Australia, 2007 to 2018



Source: Department of Jobs and Small Business, Survey of Employers who have Recently Advertised (occupational coverage varies over time series).

Figure 2: Proportion of vacancies filled (%), average number of applicants and suitable applicants per vacancy (no.), and national rating, Construction Trades, Australia, 2018



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