

Labour Market Research – Engineering Trades

South Australia

December, 2018

ANZSCO Code	Occupations in cluster	Rating
3222-11	Sheetmetal Trades Worker	Shortage
3223-11	Metal Fabricator	No Shortage
3223-13	Welder (First Class)	Cannot Rate
3231-11,12	Aircraft Maintenance Engineer*	Assessed at the national level – Shortage
3232-11,12,13	Fitters	Cannot Rate
3232-14	Metal Machinist (1st Class)	Shortage
321111	Automotive Electrician*	Assessed at the national level – Shortage

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

Key issues

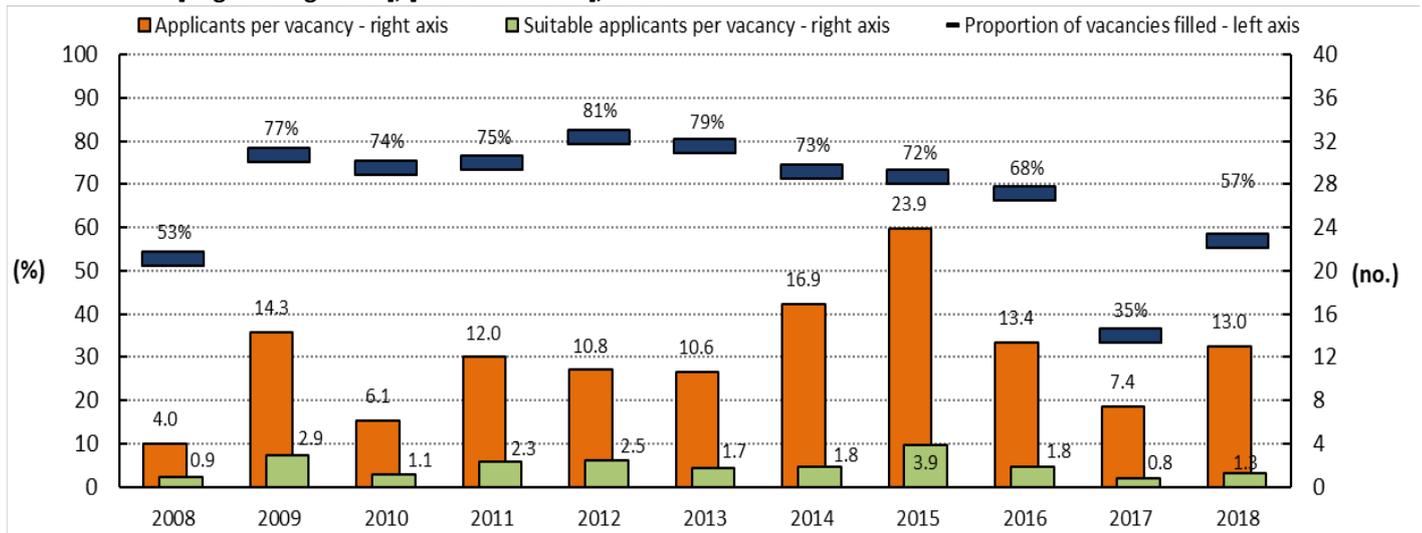
- In 2018, employers filled significantly more vacancies (57 per cent) than in 2017 (35 per cent), suggesting the labour market for engineering trades workers has improved in the last year.
- The proportion of vacancies filled for engineering trades workers was at a 6-year low falling from 81 per cent in 2012 to 35 per cent in 2017 and has trended back up to 57 per cent in 2018.
- The number of engineering trades in shortage at the state level remained high with three out of five in 2018, with two trades unable to be rated suggesting shortages are remaining widespread across the engineering trades.
- A range of industry and labour market indicators present a mixed picture of South Australian demand for engineering tradespersons. Despite a contraction of South Australian manufacturing activity in 2017, there was an increase in manufacturing exports and advertised vacancies for engineering trades workers.
- Training completions, and therefore supply, fell by approximately a quarter in the 2016-17 Financial Year to (301) and decreased further in 2017-18 to a total of (217) completions. However, the number of training commencements increased slightly in 2016-17 to (339) and continued to increase to (372) in 2017-18.
- Completions remain well below the ten-year average of (383).

Survey results¹

- Surveyed employers received 13 applicants per vacancy, which is significantly higher than 2017 results where there were 7.4 applicants per vacancy. These results were on par with 2016 and 2015 findings (13.4 and 23.9 applicants per vacancy, respectively). Employers reported most applicants (89 per cent) were unsuitable.
- Employers attracted more suitable applicants per vacancy in 2018 (1.3) this is an increase from 2017 figures, which were at a 10-year low (0.8). This result is comparable with 2016 survey findings (1.8 per vacancy).
- Among the locally researched occupations, the proportion of vacancies filled for metal machinists (first class) has improved significantly (44 per cent) in comparison to the previous year's results, where the proportion of vacancies filled was (17 per cent). Sheet metal trades workers have also shown a vast improvement (44 per cent) in comparison to results in 2017 (22 per cent). Metal fabricators have increased by 11 per cent in 2018 (70%). Fitters have declined since 2017 (53 per cent) by approximately (13 per cent).

¹ 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.), [Engineering Trade], [South Australia], 2018



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

Unsuitable applicants

- The proportion of suitable applicants increased in 2018 (1.3) in comparison to (0.8) in 2017.
- The average number of qualified applicants per vacancy improved slightly in this year’s survey (4.4) when compared with 2017 results (3.2).
- Employers reported a number of applicants were unsuitable because they lacked experience in the occupation, e.g. no relevant work experience, applicants who recently completed apprenticeships.
- Many qualified applicants were determined unsuitable because they lacked specific experience or skills employers required.
- Other reasons for unsuitability included an inability to demonstrate problem solving skills and the ability to read and interpret drawings. Employability skills, such as being the right organisational fit and having an eye for detail were sort after. Some employers attributed difficulties due to suitable applicants being offered better remuneration within the mining industry.

Demand and supply trends

- There were 5100 metal fitters and machinists in the 2016 Census, of these, over three quarters have Certificate III qualifications.²
- The industry was male dominated with approximately 1 percent of workers being female. The average age of workers is 41 years of age and they are working an average of 42 hours per week.³
- Indicative data reveals a 32.8% reduction in apprentices between 2014 and 2018, which has affected the availability of qualified applicants. However, in the last 12 months there has been an increase in the number of apprentices undertaking Certificate III in trade qualifications.
- Of those, completing trade qualifications there has been a continued decrease since 2015-16 with 223 completions in comparison to 167 in 2016-17 and completions at 129 in 2017-2018.⁴
- South Australia has remained steady in job advertisements over the year from September 2017 to September 2018.⁵

²ABS 2016 Census of Population and Housing

³ ABS 2016 Census of Population and Housing

⁴ NCVET, Apprentices and Trainees 2018, March quarter

⁵ Department of Jobs and Small Business Internet Vacancy Industry Report, September 2018

- The State Government of South Australia has predicted the new manufacturing hub (Tonsley) will play a pivotal role in advancing South Australia's manufacturing industry by providing access to a local research and development sector with strengths in emerging technologies.⁶
- The reduction of South Australian manufacturing activity, which includes the closure of General Motors Holden and its supply chain, and a gap in Defence ship building in 2017, suggests a decrease in demand for the occupation.⁷
- Advertised internet vacancy data indicated that vacancies are minimal. The average was slightly lower in 2018 with an average of 83 in comparison to 94 in November 2017.⁸
- According to VET Research Data, there were 252 commencements of Certificate III in Engineering-Fabrication Trade in 2017-2018 in South Australia, with only 129 completions. The overall five year average is 188 and the number of completions in 2017-18 is the lowest in five years.⁹
- Labour Force Survey Data indicates there is an average of 4.8 workers in August 2018 in comparison to 6.6 in August 2017. This is below the five-year average 5.6 from August 2013 to August 2018.¹⁰

Other indicators and issues

- The latest Business SA surveys indicated business confidence in South Australia returned to a post Global Financial Crisis high level in the December quarter of 2018. Business confidence was up 18 points compared to the December quarter 2017, and up 33 points compared to a decade earlier.¹¹
- Job openings in metal fitters and machine industries mainly come from turnover of staff with very few coming from new job creation.¹²

⁶ Renewalsa.sa.gov.au

⁷ The government of South Australia, Mid-Year Budget review 2018-19, December 2018

⁸ Internet Vacancy Data November 2018

⁹ NCVET, Apprentices and Trainees, June 2018, estimates

¹⁰ ABS, Labour Force Survey, October 2018, Department of Jobs and Small Business Trend

¹¹ Business SA- William Buck Survey of Business Expectations

¹² joboutlook.gov.au