Australian Government
Department of Jobs and Small Business

Engineering Trades

Victoria December 2018

43% of vacancies filled

7.3 applicants (on average, per vacancy)

3.0 qualified applicants (on average, per vacancy)

1.0 suitable applicant (on average, per vacancy)

69% of qualified applicants were unsuitable

Key research findings[1]

- While there were differences by specialisation, Victorian employers experienced greater difficulty recruiting engineering trades in 2018 compared to recent years.
- Employers filled 43 per cent of vacancies for engineering trades, slightly above the series low of 41 per cent in 2017. Vacancy fill rates have trended down since the series high of 80 per cent in 2013 (see Figure 1).
- Regional employers generally had more difficulty recruiting to engineering trades.
  - Metropolitan employers filled 58 per cent of vacancies compared to regional employers who filled 25 per cent of vacancies.
- Employers received an average of three qualified applicants per vacancy but 69 per cent of qualified applicants were considered unsuitable. The most common reason for unsuitability was a lack of experience for the advertised vacancy.
- There was an average of one suitable applicant per vacancy, only slightly above the series low of 0.9 in 2008.
  - The number of suitable applicants per vacancy has trended down since the series high of 3.5 suitable applicants per vacancy in 2012.
  - In some occupations, employers reported failure to reach agreement on remuneration as a major reason for vacancies being unfilled.
  - Many sheetmetal trades employers reported having to undertake multiple recruitment rounds to fill vacancies.
- Of those occupations assessed at state level, sheet metal trade worker employers experienced the most difficulty filling vacancies, with the lowest average number of suitable applicants per vacancy of all the engineering trades (see Figure 2).

Supply and demand[2]

- The majority of employees in engineering trades are employed in the manufacturing and construction industries. Economic conditions vary across the sectors and demand indicators are mixed, while supply indicators continue to trend down.
- Victoria's manufacturing industry showed some slight improvement since 2017. Some metal products manufacturing is expected to lose market share to low-cost imports.
- Non-residential and engineering construction activity in Victoria remains strong.
  - The average value of construction work done has increased by 16.2 per cent over the five-years to September 2018. In the same period, the average value of engineering construction work yet to be done has increased by 167 per cent.
- Employment in manufacturing is projected to grow by 1.5 per cent over the five years to 2023, compared to projected employment growth of 13.5 per cent in construction for the same period.
- Completions of engineering trades apprenticeship have trended down over the last five years to 654 in 2018, against an annual average of 761.

[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] Supply and demand sources – ABS, Census, 2016, Occupational Profiles Summary, Victoria; Department of Jobs and Small Business, Labour Market Information Portal (LMIP) Regional Employment Projections to May 2023, Interactive Tool; IBISWorld Industry Reports, C2221 Structural Steel Fabricating in Australia, and C2240 Sheet Metal Product Manufacturing in Australia; ABS, Cat. No. 5220 Australian National Accounts: State Accounts, Table 3. Expenditure, Income & Industry Components of Gross State Product, Victoria, Chain Volume measures and current prices, Original, latest issue; ABS, Cat. No. 8755 Construction

Work Done, Australia, Preliminary, Table 4, Value of Building Work Done, Chain Volume Measures, States and Territories, Original, latest issue; ABS, Cat. 8762, Engineering Construction Activity, Australia, Table 17. Value of Work Yet To Be Done, by Sector, Victoria, Original, latest release; NCVER, Apprentices and Trainees, Certificate III in Engineering, estimates to June 2018.

Figure 1: Proportion of vacancies filled (%), average number of applicants and suitable applicants per vacancy (no.), Engineering trades cluster trend, Victoria, 2008 to 2018

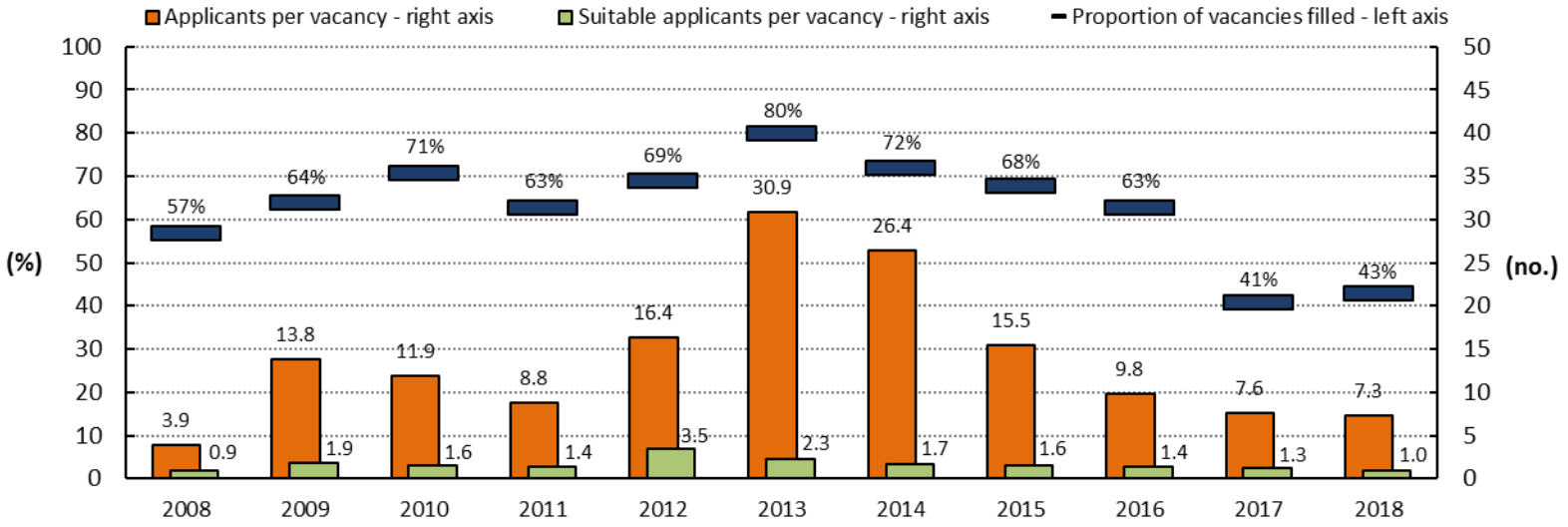

Figure 2: Proportion of vacancies filled (%), average number of applicants and suitable applicants per vacancy (no.), Engineering trades, Victoria 2018