

Overview of demand for trades skills: Australian Capital Territory – December 2008

Australian Bureau of Statistics (ABS) Labour Force Survey data shows employment in the ACT in the year to November 2008 increased by 3100 to 192 100. This growth is reflected by an increase in labour market participation with the participation rate rising four percentage points to 72.5 (having been as high as 72.9 in April/May). This is well above the national average of 65.1. Over the same period, the unemployment rate remained at 2.5 per cent, having been as high as 2.8 per cent in July, which is below the national unemployment rate of 4.3 per cent.

The ANZ Job Advertisements Series shows a trend increase in the number of advertised vacancies for the first quarter of the year, then a significant decrease in job advertisements for the rest of the year. At November 2008, compared to the same period last year, job advertisements were down more than 30 per cent.

Demand for labour in the ACT is largely driven by Public Administration and Safety, employing 53 600 workers which represents approximately 28 per cent of total employment in November 2008. Also significant in terms of demand are Professional, Scientific and Technical Services (11 per cent) and Retail Trade (9 per cent).

Over the year to November 2008 employment in Public Administration and Safety decreased by approximately 7 per cent, Professional, Scientific and Technical Services increased by approximately 5 per cent and Retail Trade increased by approximately 17 per cent.

Engineering Trades

Nationally, employment in engineering trades is primarily in the Manufacturing industry; however the level of activity in the Construction industry also affects demand. Manufacturing in the ACT is a small industry while Construction accounts for around 6 per cent of employment.

In the year to November 2008 employment in Construction has increased by 1400 jobs compared to the same period twelve months ago. Construction Forecasting Council (CFC) data show the total value of construction work done in the ACT over the four quarters to November 2008 decreased by 15 per cent compared to the same period last year. However, future projections by CFC see activity in most sectors of the Construction industry increasing over the next two years.

Although employment in Manufacturing in the ACT accounts for a small proportion of employment (2.5 per cent), most Engineering tradespersons are employed in this industry. In the twelve months to November 2008, employment in Manufacturing in the ACT increased slightly, up approximately 100 jobs.

Research conducted by the Department of Education, Employment and Workplace Relations (DEEWR) through a survey of employers who had recently advertised for engineering tradespersons found that vacancy fill rates were generally low. Those seeking fitters were able to fill approximately 50 per cent of vacancies within four weeks of advertising. Employers who advertised for fabricators, welders and sheetmetal workers experienced a lower fill rate of between 0-25 per cent, with a number of vacancies receiving no applications. Employers generally had difficulties finding trade qualified staff and most applicants lacked sufficient trade experience or skills.

Electrical and Electronics Trades

While employment for these trades is distributed over a broad range of industries, the majority of employment for electrical and electronic trades in the ACT is in the Construction industry. Also contributing to employment in these trades are Manufacturing; Electricity, Gas, Water and Waste Services; and Information, Media and Telecommunications.

The Construction industry employs approximately two thirds of electricians in the ACT. Employment in Construction in the ACT has increased by 10 per cent in the year to November 2008, while ABS show the value of construction work done in the ACT has dropped 11 per cent in the year to September 2008. This reflects HIA predictions that activity in Construction in the ACT is likely to fall following strong non-residential and residential activity over the last few years. Employment in Information, Media and Telecommunications, the main industry of employment for telecommunications tradespersons, has increased by 5 per cent in the year to November 2008.

Research conducted by DEEWR shows there to be either shortages or recruitment difficulties for most electrical and electronic tradespersons. Following a survey of employers who had recently advertised in the ACT, Electricians were determined to be in shortage, with a fill rate of 43 per cent, Telecommunications Technicians were determined to be in shortage, with a fill rate of 25 per cent, and Electronic Equipment Tradespersons were determined to be experiencing recruitment difficulties with a fill rate of 62 per cent. Employer comments suggest lack of qualifications or experience in specific technologies or specialisations were the main problems encountered when trying to fill vacancies.

Construction Trades

Over the past few years the ACT has seen high levels of construction in both the residential and non-residential sectors. This activity has driven demand for construction tradespersons as well as other trades associated with construction, such as electricians. In the year to November 2008, employment in Construction in the ACT continued to increase at levels higher than other industries, rising 10 per cent. ABS data which shows the total value of construction work done in the ACT has dropped 11 per cent in the year to September 2008 reflects predictions made by HIA that construction activity would ease in the ACT following recent years of high activity.

A survey of employers who had recently advertised for construction trades in the ACT show shortages exist for most trades. Shortages are most evident for wall and floor tilers with employers not filling any vacancies with four weeks of advertising. Shortages were also evident across all plumbing specialisations, with the exception of roof plumber, which was determined to have recruitment difficulties.

Printing Trades

Printing trades in the ACT are small in terms of occupation size, with all trades employing less than 100 each. Demand is determined by factors such as offshore competition, availability of new technology and general economic conditions and how they influence spending on areas such as advertising.

A survey of employers who had recently advertised was undertaken by DEEWR of printing trades in the ACT. The results were varied across the different trades. Due to the small occupation size of these trades, contacts were generally cold canvassed, and in one case, Screen Printer, contacts were too small to be able to determine a rating (2006 Census data shows employment size of this trade in the ACT to be six).

Shortages exist for Binders and Finishers with employers filling one in four vacancies within four weeks. Only a small number of employers received applications from trade qualified applicants and this was the main reason employers deemed applicants unsuitable. Both Graphic Pre Press Tradesworker and Printing Machinist filled approximately 80 per cent of vacancies within four weeks. Employers advertising for Graphic Pre Press Tradesworkers commented that as a result of emerging technologies, qualifications in other areas such as graphic design are suitable for some of these jobs. Despite the high fill rate for Printing Machinist, employers commented that it is normally very difficult to fill vacancies with qualified staff.

Automotive Trades – (Not assessed at State level)

Demand for automotive trades is driven by the number of vehicle registrations, the stock and age of motor vehicles, the number of motor vehicle accidents and consumer expenditure on automotive services. ABS Motor Vehicle Census data show the number of vehicles registered in Australia increased by 3.5 per cent between 2007 and 2008. Between 2003 and 2008 the number of vehicles registered increased by a total of 16.2 per cent, at a rate of 3.0 per cent per year.

ABS Labour Force Survey data show that in the two years to November 2008 employment in the automotive trades has been varied. Employment of motor mechanics has increased by 13.4 per cent; automotive electricians has decreased by 20.2 per cent; panelbeaters has decreased by 17.4 per cent; vehicle body builders and trimmers has increased by 20.3 per cent and vehicle painters has increased by 22.4 per cent.

The Department of Education, Employment and Workplace Relations (DEEWR) Skilled Vacancy Index shows the number of advertised vacancies for automotive tradespersons decreased significantly (approximately 40 per cent) over the year to December 2008.

Research conducted by DEEWR shows shortages persist across all automotive trades. Following a survey of employers who had recently advertised, employers across the motor mechanic specialisations reported filling between a quarter and a half of advertised vacancies within four weeks. Diesel mechanic vacancies were the most difficult to fill.

Employers who advertised for automotive electricians, panelbeaters, vehicle body builders and vehicle trimmers filled less than half of their vacancies within four weeks and commonly reported difficulties in attracting trade qualified staff. Employers also reported a number of vacancies receiving no suitable applications and cited staff retention as an issue. Employers recruiting for vehicle painters filled slightly more than half of their vacancies but expressed similar difficulties.

Food Trades (not assessed at state level)

Demand for food trades is largely dependant on levels of food retail expenditure. In light of other recent economic indicators, food retail spending has surprisingly experienced relatively strong expenditure. ABS figures show that spending in food retailing increased, albeit at a slower rate than seen in recent years, through the year to November 2008 by 6 per cent.

ABS Labour Force Survey data show in the year to November 2008 employment growth in food trades was varied. Employment of Butchers and Smallgoods Makers increased by 7 per cent, Chefs and Cooks remained fairly stable and employment of Bakers and Pastrycooks decreased by 9 per cent.

The DEEWR Skilled Vacancy Index shows a steady decline since December 2006 in the number of vacancies for food trades with the count at December 2008 being the lowest it has been in approximately seven years.

Research conducted by DEEWR through a survey of employers who had recently advertised showed shortages exist across all occupations in food trades. Employers recruiting these occupations reported being able to fill approximately half advertised vacancies within four weeks of advertising. Employers commented that lack of qualifications, specialised or extensive experience and staff retention were the main problems associated with attracting staff.

Horticultural Trades (Not assessed at State level)

Demand for horticultural services and products in Australia depends on a number of factors including the general level of economic activity, the level of disposable income, consumer expenditure, activity in wholesale and retail trade and weather conditions.

In the year to November 2008, employment across the horticultural trades has been varied. Employment of Gardeners (which includes general and landscape gardeners and arborists) decreased slightly, down 3 per cent, While employment of Greenkeepers increased by 3 per cent. Employment of Nurserypersons decreased by 26 per cent.

Surveyed employers indicated the continuing drought and consequent water restrictions in most of Australia are impacting on demand for horticultural services and products. Despite this, following a survey of employers who had recently advertised, DEEWR research shows there to be no shortages of Greenkeepers and General Gardeners, with both occupations filling more than 60 per cent of vacancies within four weeks of advertising. For both occupations employers received approximately 3 suitable applicants per vacancy. Employers advertising for Nurserypersons had mixed results with recruitment difficulties evident in regional areas but no shortages in metropolitan areas. Both Arborist and Landscape Gardener were found to be in shortage, with employers filling less than half of their vacancies within four weeks. A number of vacancies did not attract any applications at all, with wages and working conditions thought by employers to be the reasons for existing recruitment difficulties.

In general, employer's comments suggest that the main difficulties which exist in recruiting for these trades are finding qualified staff, finding staff with specialist or extensive knowledge and experience, an ageing workforce, comparatively poor wages and conditions compared to other trades and staff retention. Several employers also suggested these trades are over-serviced.