

Fitter	New South Wales (NSW)
ASCO Code: 4112-11	August 2007
Labour market rating	Shortage
Comment: Shortages were evident in Sydney and regional NSW.	

Occupational demand

Demand indicators for fitters were variable in 2006-07. The AIG-PricewaterhouseCoopers *Survey of Australian Manufacturing* shows an increase in manufacturing activity in NSW during 2006-07, while coal production grew by eight per cent over the year. Construction activity was less strong, with the Construction Forecasting Council (CFC) estimating that non-residential construction in NSW grew by only three per cent in 2006-07 (in nominal dollars). The Labour Force Survey does not indicate any significant change in employment for fitters and machinists in 2006-07, although apprenticeship approvals fell, which is often an indicator of easing demand.

Occupational supply

The supply of fitters and machinists from net immigration over the last two years has increased by about 75 per cent from an average of about 80 a year in the previous four years. Supply from apprenticeship completions in the mechanical engineering trades as a whole has been fairly steady in the last four years, averaging just over 400 a year. However, this is only half the level of the late 1990s. The training rate (apprenticeship completions as a percentage of the employed workforce) for the mechanical engineering trades is 1.8 per cent a year, which is well below the average of 2.7 per cent for all trades. Although no recent data on wastage from this occupation are available, the consensus of employers contacted for this report was that their staff turnover was low to moderate.

Employer and industry comments/current labour market

A DEEWR survey of employers who recently advertised for fitters showed that 63 per cent of vacancies were filled within four weeks of advertising, which was below the figure of 79 per cent in 2006. Employers in Sydney generally had more success in filling vacancies than their regional counterparts. About half of the Sydney employers surveyed filled their vacancies with few problems and several had to turn away a number of highly suitable applicants. The remainder of those surveyed, however, were either unable to fill their vacancies or had considerable difficulty in doing so. The consensus of employers was that most applicants were either unqualified, did not have specific experience in the employer's industry, or proved to have inadequate skills when trialled. Hard-to-fill vacancies were scattered over a number of industries including food manufacturing, industrial equipment manufacturing, plant and machinery hire and various specialisations including maintenance work, fitting and machining and diesel fitting and machining.

The recruitment experience of regional employers also varied significantly, although employers in the manufacturing and mining industry in the Hunter Valley generally had more success in filling vacancies than those in inland towns. A number of mining employers in Central Western and Western NSW reported that they were unable to compete with the high remuneration being offered by mines elsewhere in NSW and interstate and that positions sometimes took six months or more to fill. A number of expanding mines reported that while they were able to fill some positions, the majority remained unfilled and they often had to compromise on the quality of recruits.

Labour market outlook

Non-residential construction is expected to increase strongly in 2007-08 and the outlook for mining remain favourable. The *Survey of Manufacturing* also points to a moderate increase in manufacturing production over the next year. Demand for this trade is therefore likely to strengthen over the short-term. Although supply from apprenticeship completions is projected to increase in 2007-08, it is unlikely that this will be sufficient to meet the shortfall of experienced tradespersons.