

Mechanical Engineering Associate Professionals		South Australia
ASCO Code: 3125-11	March 2007	
Labour market rating	No Shortage	
Comment		

Occupational demand

There are around 600 persons employed as mechanical engineering associates in South Australia. ABS Census data show that 52 per cent were employed in the manufacturing industry in 2001 with a further 29 per cent employed in the property and business services industry. Business levels in the State's manufacturing sector are currently subdued due to increased competition from low cost import replacement items, the loss of existing contracts to off-shore companies, and the persistently high Australian dollar. The effect on the automotive manufacturing sector has been especially severe, with significant numbers of retrenchments occurring in the past two years. Manufacturing firms with exposure to the mining industry have been less affected by these developments, benefiting from the strong global demand for mining commodities. DEEWR's Skilled Vacancies Index data show that the number of newspaper vacancies for mechanical engineering associates peaked in 2003 but declined in 2004. Since then, vacancy levels have remained at the lower level. This trend closely reflects production and export activity in the State's manufacturing industry over the period.

Occupational supply

The major source of supply into this occupation is through completion of trade training. According to the 2001 ABS Census, around 48 per cent of electrical engineering associates have Certificate III (trade) or IV as their highest qualification. Another major source of supply is from TAFE graduates who have completed either the Diploma in Mechanical Engineering (Drafting or Design) or the Advanced Diploma in Mechanical Engineering (Design). Due to administrative problems associated with the introduction of a new enrolment system, commencements data for 2004 and 2005 under-estimate the number of commencements. In 2006 there were 229 commencements, which represented a significant increase on the 180 commencements recorded in 2003. Most of the increase was in part-time students, many of whom are already employed in related occupations. In addition to supply to the occupation from formal training, there has been a small net inflow from overseas migration over the past few years.

Employer and industry comments/current labour market

A survey of employers who had recently advertised for mechanical engineering associates in the newspaper indicated that around a third were filled within six weeks. Nonetheless, employers use a variety of methods to fill vacant positions with many using recruitment agencies. Employers who advertised this way did not report difficulties recruiting. Other companies employ mechanical engineering tradespeople, and offer financial assistance to them to upgrade their qualifications to the diploma or advanced diploma level. These firms reported no difficulties finding sufficient internal applicants for their up-skilling programmes. Additionally, some firms have established close links with TAFE via work experience opportunities and these can result in offers of employment to students. Therefore, given the range of recruitment options available to employers, most are able to fill their vacant positions.

Labour market outlook

Engineering construction activity is likely to increase over the next few years due to a number of large projects including the possible expansion of the Olympic Dam mine and the Air Warfare Destroyers project. Also, the value of capital expenditure in manufacturing has increased over recent years. Therefore, although there is currently no shortage of mechanical engineering associates, demand is expected to grow and thus skill shortages may emerge over the next 12 months.