

Metal Fabricator		South Australia
ASCO Code: 4122-11	July 2007	
Labour market rating	No Shortage	
Comment		

Occupational demand

Around 80 per cent of metal fabricators are employed in the manufacturing industry, particularly in the manufacture of fabricated metal products, structural steel and basic iron and steel manufacturing. In the three years to May 2007, around 8000 jobs have been lost in the industry, representing an eight per cent reduction in the size of the workforce. Investment in new equipment, plant and machinery fell by eight per cent in 2006. Moreover, after a period of strong growth from 2004 to 2006, the value of metal and metal manufactures exports has steadied in recent months and exports of road vehicles and parts have fallen since mid 2006. These trends are largely caused by increased competition from cheaper replacement items manufactured overseas, the loss of existing contracts to off-shore companies, and the persistently high Australian dollar. In contrast to falling demand from some sections of the manufacturing industry has been growing demand driven by the significant growth in mining activity both in South Australia and interstate over the past few years. As a consequence, overall demand for metal fabricators has remained steady, as reflected by DEEWR's Skilled Vacancies Index data which recorded no significant change in the number of newspaper vacancies for metal fabricators in 2006-07. However, employment of structural steel and welding tradespersons decreased by ten per cent in the year to May 2007 (in four quarter average terms).

Occupational supply

Since detailed training statistics for metal fabricators are not available, the following data are based on the broader category of fabrication engineering. The number of persons completing a four-year apprenticeship in fabrication engineering peaked in 1998 at 188. Completions subsequently declined to 139 in 2002 and although they increased to 160 by 2004, they fell again to 134 in 2005. In 2006 there were 164 completions which represents the highest level in seven years. Trainee commencements increased from a low of 172 in 1999 to 248 in 2004 which was followed by a slight reduction to 242 in 2005 and 230 in 2006. As a consequence of the recent downward trend in training commencements, the number of completions is anticipated to decline in 2008 and 2009. Net migration represents an additional source of supply to the workforce that supplements formal training. Though relatively small in size, over the past few years there has been a significant increase in the net migration of structural steel and welding tradespersons to South Australia.

Employer and industry comments/current labour market

A survey of employers who recently advertised for metal fabricators indicated that almost all employers were able to fill their vacancies. Around 98 per cent of positions were filled within four weeks, compared with a filled rate of 81 per cent in 2006 and 90 per cent in 2005. Each vacancy attracted an average of 2.6 applicants compared to 3.4 applicants in 2006. The average number of applicants considered suitable for employment was 1.2 per vacancy compared to 0.9 in 2006. Employers reported high turnover of staff due to the short term nature of some work, but also because some tradespeople frequently change employers in search of higher rates of pay. Most of the advertised vacancies were for new positions, though many of these are project-based.

Labour market outlook

Training data indicate that the supply of fabrication engineering tradespersons will decrease slightly over the next two years. This is likely to coincide with an anticipated strong increase in demand associated with new projects in the defence and mining industries. Therefore, although the labour market is currently in balance, shortages may emerge over the next few years.