

Metal Machinist (First Class)	New South Wales (NSW)
ASCO Code: 4112-13	August 2007
Labour market rating	Shortage
Comment: <i>Shortages were most evident for those experienced in operating manual machinery to high tolerances and setting up and operating a variety of machinery for jobbing work.</i>	

Occupational demand

Demand indicators for this trade were mixed 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 metal machinists showed that 44 per cent of employers filled their vacancies within four weeks of advertising, which was a significant deterioration on the figure of 79 per cent in 2006. While a small minority of employers in Sydney were able to fill positions for CNC machinists readily, the majority of employers were unable to fill their vacancies or had considerable difficulty in doing so. Positions requiring experience in working to fine tolerances using manual machinery proved particularly difficult to fill, as did those requiring experience in jobbing work using a variety of machinery. Employers stated that the majority of applicants were either unqualified or only had experience in using a limited range of machinery for large production runs. One employer stated that he could only offer trials to applicants who could demonstrate experience with similar machinery, as each machine cost over a hundred thousand dollars and could be damaged by inexperienced operators.

Positions based in the Hunter and Illawarra generally proved more difficult to fill than those in Sydney with unfilled vacancies scattered across a number of employers servicing the mining, power generation and general engineering industries. Shortages were evident for tradesmen skilled in programming CNC machinery and in setting-up and operating a variety of lathes, milling machines, grinders and borers.

Labour market outlook

While the *Survey of Australian Manufacturing* points to a moderate increase in manufacturing production in 2007-08, ongoing restructuring of the steel industry may dampen demand in the Hunter. Nevertheless, non-residential construction is expected to increase strongly in 2007-08 and the outlook for mining remains favourable. 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.