

Metal Fitter		South Australia
ASCO Code: 4112-11	July 2007	
Labour market rating	No Shortage	
Comment		

Occupational demand

A significant proportion of metal fitters are employed in the manufacturing industry. Conditions in this industry have declined due to a number of factors, including increased competition from cheaper replacement items manufactured overseas, the loss of existing contracts to off-shore companies, and the persistently high Australian dollar. Employment in manufacturing fell by one per cent in 2006-07. The effect on the automotive component manufacturing sector has been especially noticeable, with significant numbers of retrenchments occurring in the past two years. More recently, higher fuel costs have dampened demand for larger sized passenger vehicles, further impacting on sales and production of locally built cars. In spite of these trends, DEEWR's Skilled Vacancies Index data showed a nine per cent increase in newspaper vacancies for metal fitters in 2006-07. Employment of metal fitters and machinists increased by five per cent in the year to May 2007 (in four quarter average terms). Additionally, the Engineering Employers Association of South Australia's recorded a slight improvement in activity levels among its members in recent months.

Occupational supply

Detailed training statistics for metal fitters are not available. However, the number of persons completing a four-year apprenticeship in the broader category of mechanical engineering peaked in 2002, at 180. Completions subsequently declined to 110 in 2004, the lowest level in seven years. Since then, the number of completions increased to 120 in 2005 and 175 in 2006. Over the past seven years there has been a steady increase in the number of trainee commencements from a low of 178 in 1999 to 378 in 2006, the highest in at least 12 years. As a consequence of this upward trend in training commencements, the number of completions is anticipated to increase over the next few years. 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 steady increase in the net migration of metal fitters and machinists to South Australia.

Employer and industry comments/current labour market

A survey of employers who recently advertised for metal fitters showed that approximately 82 per cent of positions were filled within four weeks. This was identical to the filled rate recorded in 2006 which was an improvement on the 76 per cent filled rate in 2005. Each vacancy attracted an average of 5.9 applicants, which was higher than the year before (five). There was a modest reduction in the average number of suitable applicants per vacancy to 1.3 compared to 1.4 last year. Most employers reported no difficulties in finding enough workers with the skills and experience required to fill their vacancies. Reasons for unsuitability of applicants included lacking qualifications or relevant experience. Where recruitment difficulties were encountered, reasons given included the requirement to work rotating shifts and the need for experience in operating specific machinery within a particular industry.

Labour market outlook

Demand for metal fitters is increasing and this appears to be in response to growth in defence-related manufacturing and mining. Demand is likely to increase further in the future due to the anticipated commencement of large projects including the possible expansion of the Olympic Dam mine and the construction of three Air Warfare Destroyers for the Royal Australian Navy. Nonetheless, the labour market for metal fitters is likely to remain in equilibrium due to increased supply of skilled labour through formal training arrangements.