Sheetmetal Worker (First Class)	South Australia
ASCO Code: 4124-11	July 2007
Labour market rating	Shortage
Comment	

Occupational demand

Around 90 per cent of sheetmetal workers are employed in the manufacturing industry, particularly in metal products manufacture and machinery and equipment manufacture. In the three years to May 2007, around 8000 jobs have been lost in the manufacturing industry, representing an eight per cent reduction in the size of the workforce. ABS data for South Australia show that 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. A number of factors have contributed to these trends, including increased competition from cheaper replacement items manufactured overseas, the loss of existing contracts to off-shore companies, and the persistently high Australian dollar. This has had an impact on the automotive component manufacturing and whitegoods manufacturing, with significant numbers of retrenchments occurring in the past two years. More recently, higher fuel costs have dampened demand for larger sized passenger vehicles resulting in lower sales and production of locally built cars. Reflecting these trends, DEEWR's Skilled Vacancies Index data show a reduction in newspaper vacancies for sheetmetal workers in 2006-07.

Occupational supply

Since detailed training statistics for sheetmetal workers 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. Migration data show that supply to the occupation from net overseas migration was insignificant.

Employer and industry comments/current labour market

A survey of employers who recently advertised for sheetmetal workers indicated that many employers were unable to fill their vacancies. Employers found it particularly difficult to source sheetmetal workers who also possessed good welding skills. Approximately 66 per cent of positions were filled within four weeks, compared with a filled rate of 54 per cent in 2006 and 19 per cent in 2005. Each vacancy attracted an average of 4.2 applicants compared to 3.8 applicants in 2006. These trends suggest a greater availability of skilled personnel as a result of job losses that have occurred in some sectors of the manufacturing industry over recent years. Nonetheless, the average number of applicants considered suitable for employment was 0.8 per vacancy compared to 1.8 in 2006. Most employers reported high turnover of staff mainly due to more recent employees leaving and applying for alternative employment elsewhere. As a consequence, around half of advertised positions were for replacement staff.

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, the current shortage of sheetmetal workers is likely to persist over the next few years.