

Metal Fabricator	New South Wales (NSW)
ASCO Code: 4122-11	August 2007
Labour market rating	Shortage (Metropolitan)
Comment: <i>Shortages were most evident in manufacturing in Sydney.</i>	

Occupational demand

Demand indicators for this trade were mixed over the past year. The Construction Forecasting Council (CFC) estimates that non-residential construction in NSW grew by only three per cent in 2006-07 (in nominal dollars) following strong growth in 2005-06. Manufacturing activity improved over the year, with the Australian Industry Group / Pricewaterhouse Coopers *Survey of Australian Manufacturing* indicating an increase in production in each of the four quarters to June 2007.

Mining activity was strong, with coal production increasing by eight per cent in the year to May 2007. Although Labour Force Survey data do not show any significant increase in employment of fabrication engineering tradespersons over the past year, the consensus of employers contacted for this report was that demand for metal fabricators was solid in some sectors of construction and for industries servicing the mining sector.

Occupational supply

Supply to the fabrication engineering trades as a whole from apprenticeship completions grew by 23 per cent in 2006-07 and was 10 per cent above the average for the previous ten years. However, the training rate (apprenticeship completions as a percentage of employed fabrication engineering tradesperson) is slightly below the average for all trades (2.4 per cent compared with 2.7 per cent). There are no recent and reliable data on wastage from this trade although historically the wastage rate has been higher than the training rate. Net immigration of engineering fabrication tradespersons as a whole has grown strongly in the past two years, averaging 180 a year compared with an average of 50 a year for the previous five years.

Employer and industry comments/current labour market

A DEEWR survey of vacancies for metal fabricators found that 81 per cent were filled within four weeks of advertising, which compares with 64 per cent in 2006. Regional employers, particularly in the Hunter, were generally able to fill their vacancies, although the response to advertisements varied considerably. The experience of employers in Sydney was even more variable, with a substantial minority filling one or more advertised positions with little trouble while others failed to attract a single suitable applicant. While there was an average of over five applicants per vacancy, employers reported that most applicants were either unqualified or proved to have sub-standard skills when given a trial. A common failing among applicants was an inability to work from drawings. Employers offering project work at casual rates in the mining, construction and marine industries generally had the least trouble in filling vacancies, as did a number of prominent employers in the manufacturing industry. More typically, however, manufacturing employers and those offering employment on a wage basis experienced considerable difficulty in filling their vacancies. Most advertisements did not attract any suitable applicants or, when they did, the applicants were seeking remuneration levels comparable to those in the mining industry, which most employers could not afford. A number of surveyed employers were sponsoring migrants or head-hunting workers from their competitors in order to fill long-standing vacancies.

Labour market outlook

The CFC expects non-residential construction in NSW to grow by 23 per cent in 2007-08 and the outlook for mining remains positive. Demand for metal fabricators, therefore, should strengthen over the short term. Although apprenticeship completions are projected to increase further in 2007-08, it is unlikely that this will be sufficient to meet the demand for experienced workers and shortages should persist over the next 12 months.