

The Australian Workforce and Productivity Agency (AWPA) is currently updating its advice on the Australian Government's **Skilled Occupation List (SOL)** for 2014.

We are seeking your input on the occupations/industry sectors your organisation represents or that you belong to as an individual. In particular, we are seeking evidence of:

- demand and supply imbalance,* both nationally and regionally
- medium-to-long term demand and supply trends which may impact upon Australia's employment outlook
- formal licensing or registration requirements.

Please email this completed form to SOL@awpa.gov.au by COB Friday 22 November, 2013.

Note: The SOL is concerned **only** with medium-to-long-term skills needs rather than immediate skills shortages. As such, AWPA is only seeking to obtain information on longer term trends, rather than immediate shortages and costs. For the purposes of this exercise, 'medium-to-long term' is defined as a period of around two to ten years.

* **Skill demand and supply (im)balance** occurs when the quantity of a given skill supplied by the work force and the quantity demanded by employers diverge at the existing market conditions. Labour market supplies and demands for occupational skills are continuously fluctuating. At a certain point in time, there will be labour market imbalances and accompanying skill imbalances because of the disequilibrium between the demand for and supply of skills.

1. Name: Australian Industry Group

Organisation: **Australian Industry Group**

2. What are the industry/industries and ANZSCO occupation/s that you or your organisation represents for the purposes of this submission?

Industry/industries:	ANZSCO code (four-to-six digit)	Occupation/s
e.g. Mining	e.g. 7122	e.g. Drillers, miners and shot firers
Construction	133111	Construction Project Manager
Construction	133112	Project Builder
Engineering	133211	Engineering Manager
Engineering	233111	Chemical Engineer
Engineering	233112	Material Engineer
Engineering	233211	Civil Engineer

Engineering	233214	Structural Engineer
Engineering	233215	Transport Engineer
Engineering	233311	Electrical Engineer
Engineering	233411	Electronics Engineer
Engineering	233511	Industrial Engineer
Engineering	233512	Mechanical Engineer
Engineering	233513	Production or Plant Engineer
Engineering	263311	Telecommunications Engineer
Engineering/ Construction/Mining	322211	Sheetmetal Trades Worker
Engineering/ Construction/Mining	322311	Metal Fabricator
Engineering/ Construction/Mining	322312	Pressure Welder
Engineering/ Construction/Mining	322313	Welder (First Class)
Aircraft Engineering	323111	Aircraft Maintenance Engineer
Engineering	323211	Fitter (General)
Engineering	323212	Fitter and Turner
Engineering	323213	Fitter-Welder
Engineering/Mining	323214	Metal Machinist (First Class)
Construction	331211	Carpenter and Joiner
Construction	331212	Carpenter
Construction	331213	Joiner
Construction	333111	Glazier
Construction	333211	Fibrous Plasterer
Construction	333212	Solid Plasterer
Construction	334111	Plumber (General)
Construction	334112	Airconditioning and Mechanical Services Plumber

Construction	334113	Drainer
Construction	334114	Gasfitter
Construction	334114	Roof Plumber
Construction/ Engineering/Mining	341111	Electrician (General)
Engineering/Mining	341112	Electrician (Special Class)
Construction	342111	Airconditioning and Refrigeration Mechanic

Note: Use the ANZSCO link to check ANSCO occupation numbers.

Add extra rows to this table if you represent more occupations.

3. Are there any occupations that you represent where there is evidence of imbalances in the demand for and supply of skills in the medium-to-long term?

If possible, provide a quantified estimate of the demand and supply for your nominated occupation(s) out to 2020.

Construction and engineering occupations need to stay on the list because after a period of industry contraction in 2012, activity in housing and commercial construction is moving into an expansionary phase once more. This was to be expected because these industries are largely cyclical.

Ai Group receives reports of skills shortages and labour hire difficulties in construction sector surveys. During the six months to September 2013, a high 67.7% of respondents reported either major or moderate difficulty in the recruitment of skilled labour (up from 65.7% six months ago). The sourcing of sub-contractors was also a dominant supply constraint with 47.1% citing major or moderate difficulty (up from 43.8%).
(<http://www.aigroup.com.au/portal/site/aig/constructionoutlook/>)

Ai Group has also received reports of shortages for Diesel Motor Mechanics (321212) and would support adding this group to the list.

Each month Ai Group releases performance indices for the manufacturing, services and construction sectors. These national composite indices are compiled through surveys of firms conducted on a representative sample basis. They are seasonally adjusted and based on the diffusion indexes of key indicators including sales & activity, new orders, supplier deliveries and employment, with varying weights. All three indices continue to show relatively high wages growth despite weak real labour demand, which suggests continuing skills shortages. All three surveys are strengthening in the last quarter of 2013, with our Australian PMI and Australian PCI surveys both showing overall expansion in industry activity for the first time in several years. Increases in forward orders suggest stronger labour demand in 2014.

Accordingly, Ai Group does not believe there should be any deletions from the Skilled Occupation List in these industry areas.

4. Is there evidence of imbalances in the demand for and supply of skills in the medium-to-long term in non-metropolitan areas?

If so, can you indicate in what part of Australia and the number in the occupation in over- or under-supply.

Ai Group has no data in relation to non-metropolitan balances.

5. Are there any occupations which require formal licensing or registration arrangements in order to practice/perform in this occupation?

For example:

- *Midwives are required to register with the nurses board in their state or territory*
- *Panelbeaters are required to be registered or certified with the state Motor Vehicle Repair Industry Authority*

A number of the trade occupations above do require formal licensing or registration arrangements.

6. Is it expected that your employment sector will be impacted by any medium-to-long term trends which will impact upon demand and/or supply (excluding costs associated with training, labour hire, and international sponsorship)?

Please provide evidence (e.g. data source, policy document) which substantiates these claims.

For example:

- *New benchmarks for childcare centres will be introduced by the Australian Government on 1 January 2014, which will mandate increased staff-to-child ratios and higher qualification standards for childcare workers.*

Several reports have highlighted a range of skilling challenges confronting the manufacturing employment sector. A number of global megatrends have an impact on the sustainability of manufacturing and employment within the sector. These are outlined in: *Manufacturing workforce issues paper* (AWPA, October 2013); *2013 Environmental Scan: a new era for manufacturing* (MSA, 2013); *Trends in manufacturing to 2020* (Future Manufacturing Industry Innovation Council, 2011); and *Smarter manufacturing for a smarter Australia* (Prime Minister's Taskforce, 2012).

7. Please provide any other information you consider relevant evidence to support your submission

For example, you may know of some independent studies about your occupation that supports your advice to us.

8. Would you like to make any additional comments on the SOL?

9. Please provide the name, position and contact details of a person within your organisation who is willing to be contacted if any further information or follow-up is required.

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All information, **including name and address details**, contained in submissions will be made available to the public on the AWPA website unless you indicate that you would like all or part of your submission to remain in confidence. Automatically generated confidentiality statements in emails do not suffice for this purpose. Respondents who would like part of their submission to remain in confidence should provide this information **marked** as such in a separate attachment. Legal requirements, such as those imposed by the *Freedom of Information Act 1982*, may affect the confidentiality of your submission.