

Senate Economics and References Committee
ANSWERS TO QUESTIONS ON NOTICE
Department of Industry, Science, Energy and Resources
Inquiry into the Australian manufacturing industry
08 December 2021

AGENCY/DEPARTMENT: DEPARTMENT OF INDUSTRY, SCIENCE, ENERGY AND RESOURCES

TOPIC: Shortage of welders and metal trades in the manufacturing sector

REFERENCE: Question on Notice (Hansard, 08 December 2021, Page 61)

QUESTION No.: 7

Senator PRATT: Okay. Can you take on notice what has been done to resolve the shortage of welders and metal trades, and if the department recognises that, while that trade applies across a broad range of manufacturing sectors, it's also very much a key part of many of the priority areas that have also been identified? I'm keen [inaudible] really is to—yes, we do need those high-tech skills that are at the advanced end of those identified priorities, but we've actually got key gaps at a more fundamental level, across manufacturing sectors, that will undermine the viability of those strategic areas if the more fundamental gaps aren't also addressed.

Mr Purtell: I'm happy to take that on notice.

ANSWER

The need for a skilled workforce is recognised in the Australian Government's Modern Manufacturing Strategy. The transformation towards higher-value, more advanced manufacturing envisaged by the MMS will need to be underpinned by skills development across the entire value chain, including relevant trades.

The Department of Industry, Science, Energy and Resources (the Department) is engaging with industry and across government to identify current and future skills gaps in Australian manufacturing – particularly across the six National Manufacturing Priorities – and developing actions to ensure our manufacturers have access to the skilled workers they need to scale up and become more competitive. This includes more traditional occupations such as trades such as welders and metal trades, as well as jobs in engineering and technology.

The Australia Government is implementing a range of measures to support the future growth and prosperity of our nation's workforce. The National Skills Commission regularly reviews the national skills needs of Australia and produces a Skills Priority List (SPL). The SPL provides a current labour market rating and a future demand rating for occupations nationally. The 2021 SPL confirms that 42 per cent of Technicians and Trades Worker occupations were in shortage, including Pressure Welder, Welder (First Class), Fitter-Welder, Sheetmetal Trades Worker, Metal Fabricator, Metal Casting Trades Worker and Metal Machinist (First Class).

The Government uses the SPL to inform future policy decisions to address current and future workforce shortages. This includes the Australian Government's Priority Migration Skilled Occupation List (PMSOL), which identifies occupations that fill critical skills needs to support Australia's economic recovery from COVID-19. PMSOL currently includes a range of occupations that support Australian manufacturing, such as engineers, medical professionals and ICT specialists. The Department provides information and industry intelligence on skill gaps across Government to ensure that Australian manufacturers have access to a pipeline of talent.

Commonwealth, state and territory governments have committed to work collaboratively on long-term improvements to the vocational education and training (VET) system sector through a new

National Skills Agreement. A strong VET system is critical for Australia's long-term economic recovery from COVID-19 and the quality of Australia's manufacturing workforce. To ensure the VET system works for students and employers, the Government is placing industry at the centre of the VET system by establishing a new Industry Clusters initiative. The Industry Clusters will be established by the Department of Education, Skills and Employment to provide industry with a stronger, more strategic voice and a broader role in ensuring Australia's VET system continues to deliver on employer and learner needs.