

Engineering Manager		New South Wales (NSW)
ASCO Code: 1332-11	April 2009	
Labour market rating:	Recruitment difficulty	
Comment: <i>Recruitment difficulties are for those with extensive experience in specialised areas such as dam construction, waste water management and component failure analysis.</i>		

Occupational demand

Demand for engineering managers has been mixed over the past year. The AIG-PricewaterhouseCoopers *Performance of Manufacturing Index* for March indicates that manufacturing activity in NSW declined for the eleventh consecutive month. The Construction Forecasting Council (CFC) expects the value of non-residential construction work in NSW to grow by 16 per cent in 2008-09, with most of the growth in engineering construction. However, non-residential building approvals have fallen considerably in recent months. Raw coal production in NSW grew by 7.0 per cent in 2008 but fell in January and February 2009 to its lowest level in almost three years.

Occupational supply

The supply of engineering managers is dependent on the number of engineers who progress to managerial roles or migrate as engineering managers. The number of students completing degrees in the major engineering disciplines was between 1000 and 1260 a year from 1998 to 2008. Course completions between 1998 and 2001 were fairly stable and therefore there has been no significant reduction in the cohort of graduates who would now have seven to ten years of experience. Supply from net overseas arrivals to NSW has increased sharply from 44 in 2003-04 to 265 in 2007-08.

Employer and industry comments/current labour market

A DEEWR survey of employers who had recently advertised for engineering managers found that 65 per cent of vacancies were filled within six weeks of advertising, which was an improvement on the figure of 36 per cent in 2007. The majority of employers and recruitment agencies surveyed for this report were able to fill vacancies for engineering managers with few difficulties across a range of industries including manufacturing, civil construction, local government, consulting and defence. In other cases, advertisements attracted a good field of suitable applicants but the employer suspended the recruitment process due to the economic downturn. A minority of employers, however, while stating that the number and quality of applicants for engineering manager positions had generally improved, still experienced recruitment difficulties in some areas. Recruitment difficulties were mainly confined to councils in inland NSW and to positions requiring extensive experience in specialised areas such as dam construction, building services, waste water management and component failure analysis. In a number of cases, such positions did attract suitable applicants but they failed to reach agreement with the employer on a remuneration package. Several recruitment agencies noted that some applicants had not adjusted their salary expectations to the lower market rates now prevailing. On the other hand, recruitment agencies also noted that some employers were hesitating to recruit less-than-ideal applicants in the hope that better applicants would become available in the current downturn.

Labour market outlook

Demand for engineering managers is likely to remain patchy over the next 12 months. Manufacturing activity will be constrained over the short-term by the weakness in the NSW and international economy, while mining activity will also be adversely affected by the large falls in contract and spot market prices for key commodities such as black coal. However, the CFC expects non-residential construction to grow by 12.5 per cent in 2009-10 which will help support demand for engineering managers with experience in relevant infrastructure projects. Recruitment difficulties over the short term are likely to remain confined to a small number of specialised areas.