

Production Manager (Manufacturing)	New South Wales (NSW)
ASCO Code: 1222-11	June 2008
Labour market rating:	Recruitment Difficulty
Comment: <i>Recruitment difficulties are evident in a number of specialisations including steel reinforcing products, paint manufacturing and furniture manufacturing</i>	

Occupational demand

Census data indicate that employment of production managers (manufacturing) was flat between 2001 and 2006 and it is likely that demand for the occupation has remained subdued since then. According to the Australian National Accounts, manufacturing production for Australia rose by 2.9 per cent in the year to the March 2008 quarter, which was a little below the 3.7 per cent average for all industries. However, more recent data from the Australian Industry Group – Pricewaterhouse Coopers *Australian Performance of Manufacturing Index* indicates manufacturing activity was subdued for the fifth consecutive month in May 2008, with production falling in NSW. The slowing in manufacturing activity reflects the weakening in global growth, rising input costs, particularly energy-related, rising interest rates and a higher exchange rate.

Occupational supply

Census data indicate that mechanical engineering is the most common higher education qualification for production managers (manufacturing). DEEWR estimates that supply of mechanical engineers from university completions fell by 16 per cent in the two years to 2007. However, as mechanical engineering also provides training for other professions, it is not possible to determine a training rate for this occupation. Immigration data are not available for this occupation. However, Census data for the broader category of production manager show a net loss of 219 workers interstate from 2001 to 2006 and a gain of 553 workers from overseas. Employer and industry contacts consulted for this report suggest that overseas workers are a growing source of supply.

Employer and industry comments/current labour market

The DEEWR survey of employers who had recently advertised for production managers showed that 70 per cent of vacancies were filled within six weeks of advertising. The survey results did not indicate a general shortage in the occupation. There was an average of 1.6 suitable applicants per vacancy and a substantial majority of the employers surveyed were able to fill vacancies with few problems, in many cases having a choice of several suitable applicants. Nevertheless, recruitment difficulties were evident for positions requiring specialist skills in particular areas of manufacturing, including steel reinforcing products, paint manufacturing, foundries and furniture manufacturing. The chief reasons that employers gave for applicants being considered unsuitable were lack of experience, not having expertise in their particular sector of the industry and poor communication skills. A number of employers and recruitment agencies indicated that those vacancies advertised on the internet resulted in a large number of applicants, many from overseas, the majority of whom had no relevant experience for the position. Nevertheless, a number of employers and recruitment agencies noted that recruitment from overseas was not uncommon for this occupation, as the movement of Australian manufacturing offshore – particularly in heavy engineering – had reduced the pool of applicants with local manufacturing experience.

Labour market outlook

Manufacturing activity is likely to remain subdued in the short term under the impact of a slowing world economy, higher fuel and other import costs, and a high value for the Australian dollar. Constrained demand combined with any increase in supply from immigration is likely to ease the recruitment difficulty for experienced workers, although some positions requiring highly specialised skills or experience may remain hard to fill.