

Production Manager (Manufacturing)		South Australia
ASCO Code: 1222-11		April 2008
Labour market rating	No Shortage	
Comment		

Occupational demand

Over 85 per cent of production managers are employed in the manufacturing industry. Demand for the occupation is therefore largely dependent on the level of manufacturing activity, which is in turn driven by demand for locally manufactured products.

Business levels in South Australia's manufacturing sector are currently subdued due to increased competition from low cost import replacement items, the loss of existing contracts to off-shore companies, and the persistently high Australian dollar. The effect on the automotive manufacturing sector has been especially severe, with significant numbers of retrenchments occurring in the past few years. The value of road vehicles and parts exports has been declining since mid-2006. In trend terms, the value of investment in equipment, plant and machinery has fallen by 22 per cent since December 2005. Manufacturing firms with exposure to the mining industry have been less affected by these developments, benefiting from the strong global demand for mining commodities. DEEWR's Skilled Vacancy Survey data show that the number of newspaper vacancies for production managers peaked in 2005, fell in 2006, and although increased in 2007, was 24 per cent below the level of 2005.

Occupational supply

There is no specific educational qualification for this occupation. ABS Census data (2006) show that around a third of production managers in the State held qualifications at the Certificate III or IV level, with a further 15 per cent having a bachelor degree. Over 40 per cent did not have post secondary school qualifications. Given the diverse mechanisms for entry into the occupation, estimates of formal supply are not possible. In net terms, the number of production managers entering SA as a result of skilled migration increased from 12 in 2005-06 to 64 in 2006-07.

Employer and industry comments/current labour market

A survey of employers who had recently advertised for production managers revealed that 83 per cent of vacancies were filled within six weeks. Although there were, on average, 1.8 applicants per vacancy, this is likely to be an under-estimation. This is because some employers also advertised through recruitment agencies that vetted applications. The average number of suitable applicants per vacancy was 0.8. Major reasons given for rejecting applicants included insufficient managerial experience and lack of experience relevant to particular industries. Employers were also interested in hiring applicants with good communication, planning and interpersonal skills. Despite the relative success in filling positions, there was an overall view that production managers, particularly those with relevant industry and managerial experience, are difficult to recruit.

Labour market outlook

The demand outlook for production managers is linked to future activity levels in the manufacturing industry. At least in the short term, the industry is likely to experience subdued activity due in part to the closure of Mitsubishi Motors Australia and the likely flow-on effects to its suppliers. Notwithstanding the current difficulties experienced by the manufacturing sector, there are a number of proposed construction projects in the State which could generate employment opportunities for production managers in the manufacturing industry. These include the Adelaide Metropolitan Water project, the possible expansion of the Olympic Dam mine and the Air Warfare Destroyers project. Overall, the labour market for production managers is expected to remain unchanged over the next 12 months.