



Australian Government
Department of Employment

Labour market outcomes of Engineering Professionals exiting Motor Vehicle and Motor Vehicle Part Manufacturing

Insights from ABS Longitudinal Census data, 2006 and 2011

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Background

Following the release of broader analysis on the job prospects of workers in the Motor Vehicle and Motor Vehicle Part Manufacturing, the following report provides a more detailed indication of the job prospects of people working as Engineering Professionals in the automotive sector. Using the ABS Australian Census Longitudinal Dataset, this analysis presents information about the labour market outcomes of people who were working as Engineering Professionals in Motor Vehicle and Motor Vehicle Part Manufacturing in 2006, but who had exited the sector by 2011. These data provide an indication of the chances of current Engineering Professionals in the automotive sector finding alternative employment in the medium to long term, and possible destination sectors and occupations, which may help inform their training and career choices.

In interpreting this analysis, it is important to keep in mind that over the period from 2006 to early 2009, when substantial job losses in the automotive sector occurred¹, overall labour market conditions were strong. By contrast, current labour market conditions are relatively soft, and are forecast to remain soft in 2015-16². Accordingly, the job prospects for retrenched Engineering Professionals in the automotive sector in the coming years may be less favourable than they were between 2006 and 2011.

¹ Employment in the sector fell by 22,300 workers (or 31 per cent) between August 2006 and February 2009 according to *ABS, Labour Force, Australia, Detailed, Quarterly, cat. no. 6291.0.55.003, Department of Employment trend*.

² Australian Government, *Mid Year Economic and Fiscal Outlook 2014-15*. The unemployment rate is forecast to be 6 ½ per cent at the end of June 2015 and at the end of June 2016.

Labour Market Outcomes

Of the 3250 people who were employed as Engineering Professionals in Motor Vehicle and Motor Vehicle Part (MVMVP) Manufacturing at the time of the 2006 Census, 1490 (or 46 per cent) were no longer working in the sector in 2011. This is well below the 65 per cent recorded across all occupations, suggesting that Engineering Professionals were less likely to leave the sector over the period.

Of the 1490 people who exited MVMVP Manufacturing, 1290 (87 per cent) were employed in 2011, considerably higher than the rate across all occupations (75 per cent).

- Data are not available on whether the remaining 200 Engineering Professionals were not in the labour force (NILF) or unemployed in 2011 due to small estimates. However, the small size of the estimates suggests that people who were working as Engineering Professionals and exited MVMVP Manufacturing had comparatively low rates of unemployment and high rates of labour market participation in 2011.

Occupational breakdown

Of the 1490 Engineering Professionals who exited MVMVP Manufacturing and were employed in 2011, 580 (or 39 per cent) were still working as Engineering Professionals in 2011. A further 160 (or 11 per cent) were working in another Professional occupation.

Of the 750 people who were employed in another occupational group, many were working in a related occupation. The largest employing occupations included:

- Specialist Managers (100 people)³
- Engineering, ICT and Science Technicians (100)⁴
- Hospitality, Retail and Service Managers (100)
- Automotive and Engineering Trades Workers (80)

Industry breakdown

Of the 1490 Engineering Professionals who exited MVMVP Manufacturing and were employed in 2011, 320 (or 21 per cent) were employed in another Manufacturing sector in 2011, slightly below the 29 per cent recorded across all occupations.

- Of these, 220 were still employed as Engineering Professionals, indicating that the majority of those who found employment in another Manufacturing sector usually did so without changing occupation.

Of the 1170 people who were employed in another industry, 250 were working in Professional, Scientific and Technical Services, with the movements into this industry dominated by people who kept working as Engineering Professionals. The other workers were spread across a variety of industries, including:

- Construction (85 people)
- Transport, Postal and Warehousing (85)
- Financial and Insurance Services (80)
- Retail Trade (60)
- Public Administration and Safety (60)
- Wholesale Trade (60)

³ Includes Construction, Production and Distribution Managers.

⁴ Includes Building and Engineering Technicians.

Prospects

Labour market outcomes were generally positive for Engineering Professionals who exited MVMVP Manufacturing between 2006 and 2011, with a low rate of unemployment and a relatively high proportion of workers able to find alternative employment as an Engineering Professional. However, the labour market for Engineering Professionals over the period from 2006 to 2011 was exceptionally strong due to the resources boom. Over the past two years, however, the labour market for Engineering Professionals has softened considerably as the resources boom unwinds. Employment of Engineers declined by 3100 (or 2 per cent) between November 2012 and November 2014⁵, and vacancies fell by 63 per cent over the same period.⁶

In the short to medium term, the labour market for Engineering Professionals is expected to remain soft, as conditions continue to weaken in Mining, Manufacturing and Engineering Construction. The persistence of soft conditions, combined with the likely simultaneous influx of retrenched workers into the labour market, suggest that the experience of Engineering Professionals currently facing redundancy may be less favourable than those who exited the sector over the five years to 2011.

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⁵ ABS, Labour Force, Australia, Detailed, Quarterly, cat no. 6291.0.55.003, Department of Employment trend data.

⁶ Department of Employment, Vacancy Report.