



# ANZSCO 1331-11 Construction Project Manager

Australia  
February 2017

**Current labour market rating**

**No Shortage**

Previous labour market rating (April 2016)

No Shortage

## Comments

*While the labour market for construction project managers has tightened over the past three years, employers still generally fill advertised positions from sizeable fields of qualified applicants and multiple suitable applicants. However, the labour market varies considerably across the states and territories, with conditions notably softer in Western Australia than in New South Wales and Victoria.*

## Employer survey<sup>1</sup>

### Survey results and trends

- Although a national shortage of construction project managers has not been evident since 2011, the labour market for the occupation has tightened over the past few years (Figure 1).
  - o The proportion of vacancies filled has fallen from 96 per cent in 2014 to 64 per cent in 2017.
  - o Applicants per vacancy numbered about 30 in 2016 and 2017, compared with an average of around 38 from 2013 to 2015.
  - o There have been around two suitable applicants per vacancy in the past two years compared with just over three in 2014 and 2015.
- Despite the tighter labour market, employers in the current survey generally filled their vacancies from sizeable fields of qualified applicants (an average of 12.7 per vacancy) and multiple suitable applicants.
- Vacancies were for a range of construction sub-industries, seniority levels, project types and project values.
  - o More than 40 per cent were in engineering construction, with the remainder for residential and non-residential building projects.
  - o Vacancies were for a variety of construction tiers<sup>2</sup> and project values ranging from less than \$1 million to \$200 million.
- Employers recruited experienced construction project managers across a range of industry sectors including engineering construction, non-residential building (such as health, education and commercial projects), and low, medium and high-density residential.
  - o Applicant numbers per vacancy ranged from 15.9 for employers in the residential sector to 41.4 for those in engineering construction.

<sup>1</sup> The methodology underpinning this research is outlined at [Skill Shortage Research Methodology | Department of Employment - Document library, Australian Government](#) and can also be accessed by the QR code

<sup>2</sup> Tier ratings determine the type and value of projects a firm is able to take on, and depends on their size, resources and experience. Tier 1 takes on the largest scale projects and Tier 3 takes on the smallest.

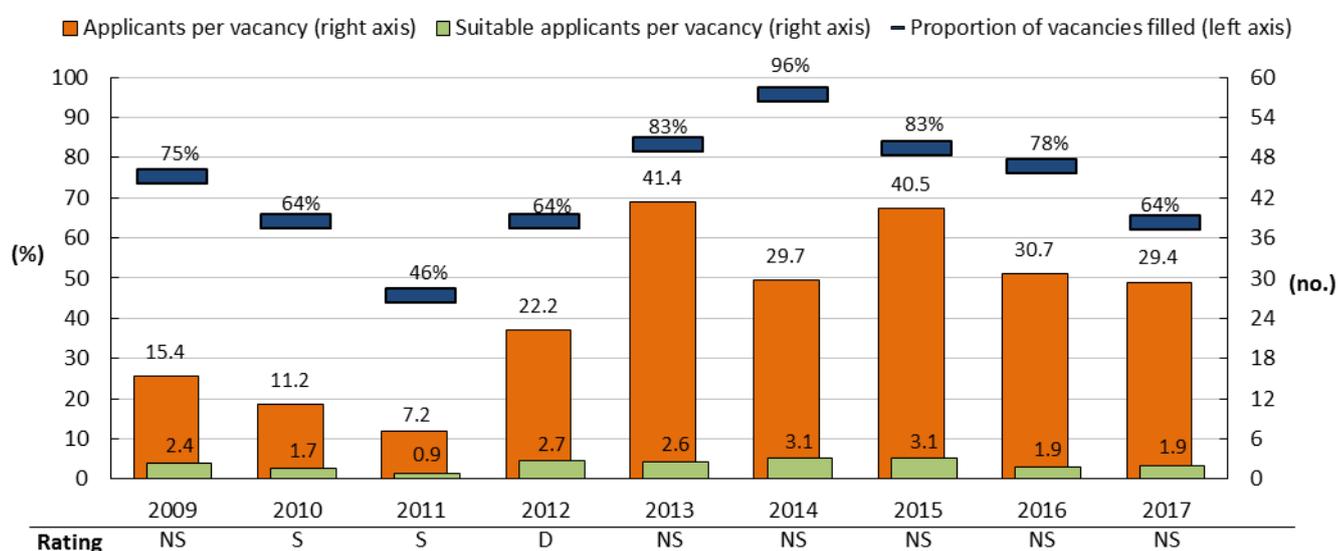


- o Employers in all major industry sectors (residential, non-residential and engineering construction) attracted an average of at least one suitable applicant per vacancy.

### Unfilled vacancies

- Unfilled vacancies were also distributed across a variety of residential, non-residential and engineering project types, with no pattern indicating a recruitment difficulty for any particular industry sector, project size or level of seniority.
- Employers with unfilled vacancies attracted an average of around six qualified applicants for each of their vacancies. The main reason vacancies were unfilled was that the qualified applicants did not have the length and type of construction management experience sought by the employers.
  - o In a small number of cases, unfilled vacancies attracted suitable applicants but they declined the job offer or left soon after taking up the position.

**Figure 1: Proportion of vacancies filled (%), average number of applicants and suitable applicants per vacancy (no.), Construction Project Manager, Australia, 2009 to 2017**



Source: Department of Employment, Survey of Employers who have Recently Advertised (SERA)

Key to ratings: NS = No Shortage S = Shortage D = Recruitment Difficulty

### Regional results

- There was substantial variation in employer recruitment experiences across states and territories, with conditions notably softer in Western Australia than in the eastern states.
  - o Employers in Western Australia filled 92 per cent of their vacancies, compared with 50 per cent in Victoria, 64 per cent in Queensland and 65 per cent in New South Wales.
  - o Western Australian employers attracted an average of 61.2 applicants per vacancy, substantially higher than in New South Wales (9.9) and Victoria (16.8).
  - o The number of qualified applicants per vacancy was also markedly higher in Western Australia (32.2) than in New South Wales (4.1) and Victoria (2.0).
  - o Positions in Western Australia attracted an average of 3.2 suitable applicants, compared with 0.8 for Victoria and 1.9 for Australia as a whole.
- More than 85 per cent of surveyed vacancies were in metropolitan areas, mainly in Sydney, Melbourne and Brisbane.
  - o There was no notable difference in the survey results for metropolitan and regional areas.

### *Employer requirements and unsuitable applicants*

- Employers generally required applicants with relevant formal qualifications.
  - More than 60 per cent sought applicants with a degree (primarily in construction project management or civil engineering) and around a quarter required trade qualifications, most commonly in carpentry.
  - A small number were willing to accept extensive relevant experience in lieu of formal qualifications.
- In addition to qualifications, almost all employers sought applicants with experience as a construction project manager in a relevant sub-industry (residential, non-residential or engineering construction), or on a particular project type (such as aged care, education, utilities, project homes or multi-unit apartments).
  - A large majority of employers sought applicants with five or more years of experience, with around 25 per cent seeking at least 10 years.
  - More than one in ten employers required applicants to be familiar with local construction regulations and regulatory bodies.
- Around 97 per cent of vacancies required a qualification and therefore applicants without a relevant formal qualification were generally considered unsuitable.
  - Around 50 per cent of applicants held a relevant qualification.<sup>3</sup>
- Overall, there was an average of 12.7 qualified applicants per vacancy, and employers were most likely to nominate lack of experience as a reason why applicants were unsuitable.
  - A lack of general experience in the occupation was nominated as a reason for unsuitability in 26 per cent of cases.
  - A lack of specific experience (for example, in a particular industry sector or type of project) was nominated in 36 per cent of cases.

## **Demand and supply trends**

### *Demand*

- Demand for this occupation has benefited from strong building activity in recent years, particularly in the eastern states.
  - The value of building work done grew by 9.1 per cent over the two years to the December quarter 2016 to stand slightly below the historic high reached in the June quarter.<sup>4</sup>
  - Growth over the past two years has been strongest in New South Wales (22.8 per cent), the Australian Capital Territory (16.8 per cent), Queensland (14.3 per cent) and Victoria (12.3 per cent).
  - By contrast, building activity fell in Western Australia (19.7 per cent), the Northern Territory (18.6 per cent) and South Australia (11.6 per cent).<sup>5</sup>

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<sup>3</sup> The qualification status of some applicants was unknown.

<sup>4</sup> ABS, 8752.0 *Building Activity, Australia*, December 2016, Table 1, chain volume measures, trend

<sup>5</sup> ABS, 8752.0 *Building Activity, Australia*, December 2016, Table 2, chain volume measures, trend

- Engineering construction activity, however, has been weak, largely due to the winding down of the investment phase of a number of major resource projects.
  - o The value of engineering construction work done fell by 30.3 per cent over the two years to the December quarter 2016 and by 44.1 per cent since its peak in the September quarter 2012.
  - o The fall in engineering construction over the past two years was greatest in Western Australia (51.1 per cent), Queensland (44.1 per cent) and the Northern Territory (34.0 per cent).<sup>6</sup>
- Nevertheless, there is evidence that activity in some sectors of engineering construction is improving.
  - o A number of surveyed employers pointed to recent strong demand for construction project managers in some sectors of engineering construction.
  - o Moreover, the AI Group notes improving activity in infrastructure in December 2016, particularly for transport projects in the eastern states.<sup>7</sup>
- Although there are no demand data available specifically for construction project managers, employment and vacancy data for the broader occupation of construction manager indicate stronger demand over the past few years.<sup>8</sup>
  - o Employment for construction managers grew from late 2012 to reach a record high in August 2016. Employment has since eased but still increased over the year to February 2017.<sup>9</sup>
  - o The Internet Vacancy Index shows that vacancies for construction managers rose steadily over the three years to February 2017. Despite this increase, vacancies remained just over half the series peak recorded in the year to October 2008.<sup>10</sup>

### *Supply*

- Due to the wide range of trade, diploma and degree level qualifications relevant to the occupation,<sup>11</sup> and the importance of extensive construction industry experience as an entry path, there is little quantifiable data on supply from training.
- Supply to the occupation from temporary skilled migration, however, has fallen from a peak of 660 in 2011-12 to 220 in 2015-16. The number of 457 visa grants for the occupation in the six months ending December 2016 was 125.<sup>12</sup>

<sup>6</sup> ABS, *8762.0 Engineering Construction, Australia*, December 2016, Table 2, chain volume measures, trend

<sup>7</sup> AI Group, *Performance of Construction Index*, December Report 2016

<sup>8</sup> The ANZSCO Unit Group 1331 Construction Managers includes 133111 Construction Project Managers and 133112 Project Builder.

<sup>9</sup> ABS, *Labour Force, Australia*, February 2017, Department of Employment trend.

<sup>10</sup> Department of Employment, *Internet Vacancy Index*, February 2017, 12 month moving average,

<sup>11</sup> ABS, *Census of Population and Housing, 2011* data show that around 40 per cent of construction project managers have a bachelor degree or higher qualification, 16 per cent have an advanced diploma or diploma, more than one-quarter hold certificate III or IV qualifications and 15 per cent do not have post-school qualifications.

<sup>12</sup> Department of Immigration and Border Protection, Subclass 457 visas granted pivot table, primary applicants