Production Engineering dates back to the formation of the university itself on 1 July 1949, as it was a discipline that had much of its origins in the Sydney Technical College. Initially after the founding of the university, C. A. Gladman - head of the department while it was still under the control of the college - continued as the head of the unit. When the first three university faculties were established by Council on 8 May 1950 (resolution 54), Production Engineering appears to have been placed under Mechanical Engineering, one of the initial four departments within the Faculty of Engineering and over the next couple of years Production Engineering became gradually more integrated with the university. On 10 September 1951 Council changed the designation of the main departments to schools and so the School of Mechanical Engineering came into existence (resolution 153).

On 11 May 1955 the first Associate Professor to join the department - N. A. Hill - was appointed to head the department.

On 9 November 1959 Council approved the change in name of the department to the Department of Industrial Engineering (resolution 59/217).

On 11 September 1967 Council altered the name of the school to the School of Mechanical & Industrial Engineering (resolution 67/167).

On 8 November 1989 the Acting Vice-Chancellor approved the disestablishment of all the departments within the School of Mechanical & Industrial Engineering, including the Department of Industrial Engineering (file 00892512).