

2009 Salary Survey

A guide to salary packages for the NSW building industry

Acknowledgments

The Master Builders Association of New South Wales is grateful to all the people who took time to respond to this survey, without whom we could not have completed this work.

Our gratitude is extended to Louisa Gibbeson, Compliance Manager, Hays Construction and Evan Jones, Team Manager, Hays Construction.

Copyright

Master Builders Association of New South Wales and Hays Construction, Sydney, March 2009. No part of this publication may be produced or transmitted in any form or by any means (electronic, mechanical, photocopying, recording or otherwise), without permission.

Published by

Hays Construction & Property
Level 8, 5 Hunter St, Sydney, NSW 2000
Tel: 02 9249 2260 Fax: 02 9299 9953

Disclaimer: The Master Builders Association of New South Wales in conjunction with Hays Construction has produced The Master Builders Association of NSW/ Hays Construction Industry Salary Survey as a value-added service to the building and construction industry. Whilst every care has been taken in the collection of the data, the survey is interpretive and indicative, not conclusive; therefore information should be used as a guideline only. Neither the Master Builders of NSW or Hays Construction accept any responsibility for actions or outcomes that are deemed to be based on information contained in this publication.

Contents

Foreword	4
Discussion	5
Salary Information	7
▪Salary vs Job Type	7
▪Salary vs Construction Type	8
▪Salary vs Project Size	9
▪Salary vs Contractual Arrangement	10
▪Salary vs Location of Company Base	11
▪Salary vs Annual Turnover	12
Industry Trend Information	13
▪Average Working Week	13
▪Average Length of Service	13
▪Use of Contract Staff for Management	14
▪Use of Contract Staff	15
▪Method of Recruitment	15
▪Female Staff in the Construction Industry	16
Ease of Recruitment	17
Bonus Schemes	17
Fringe Benefits	18
Key Issues Facing the Industry	19

Foreword



MBA Executive Director

The launch of the 2009 Hays Construction/MBA salary survey coincides with a much changed employment market when compared to the same period last year. The volatile global economy and a tightening of available construction finance has had an impact on project commencements in the commercial property sector. According to the results received from MBA members this year, there has been a decrease in salaries in most areas compared to last year. However, with the federal and NSW governments' various building and construction works packages about to commence, the industry may yet see a shortage of qualified staff in some key areas, affecting future salary levels.

The MBA hopes members will find this year's salary survey a useful guide and we thank the staff at Hays Construction for their valuable assistance in collating information for this publication for the benefit of MBA members.

Brian Seidler
Executive Director
Master Builders Association of NSW



Hays Construction

A year is a long time in the construction industry and the last 12 months have seen some of the biggest challenges to be faced in many a year. From projects being put on hold, to funding being withdrawn, to stories of cars being abandoned by departing construction workers in Dubai, and many of the leading global economies slipping into recession: it seems there is nowhere to hide for the construction industry.

So what impact has this had on the industry in NSW, and what impact has it had on salaries? Unsurprisingly you will see the rapid rise of salaries has at last stopped and in certain areas the simple equation of supply versus demand has led to salaries reducing. For some people in the industry this has been welcomed, but for others it has created some real problems. Trying to reduce the salaries of existing staff without leading to the disengagement of your talented people is a real challenge. The reality is that the boom times are in the past and, for now, many organisations are focusing on keeping their talent busy and diversifying their work to follow the government's stimulus package. Only time will tell what impact this will have, but one positive is that these trends are cyclical and one year of down time is a year closer to the good times returning!

Our aim is to launch this survey in time for annual salary reviews, and hopefully this year the information is as useful as before. If participating members of the MBA would like to discuss any of the information in more detail or get the advice of our specialist consultants, please don't hesitate to ask.

Shane Little
Regional Director
Hays Construction

Discussion

When the Master Builders Association and Hays Construction joined forces to produce the first construction industry salary survey back in 2001, it was hoped that building contractors in New South Wales would benefit from salary research gained from their peers within the building sector.

As response numbers and positive feedback grew over the years, this objective has clearly been achieved. This year, we made life easier for those participating in the survey by using an online data collection method. Despite a few initial teething problems, it is clear you continue to find this survey worthwhile, as response numbers were higher than ever.

“Despite a few initial teething problems, it is clear you continue to find this survey worthwhile...”

Responses to the survey were received from both MBA members and selected companies from the Hays Construction database. Your assistance is greatly appreciated and the result is a comprehensive guide to current salaries and trends.

With the economic tide turning and many challenges ahead for the building industry, it seems a good time to reflect on our past salary surveys and the trends they have revealed over the past 8 years.

Easily the most significant statistic in the survey of 2000/01 was the lack of opportunities at the \$150k and above level. Your feedback in 2001 showed you were paying Project Managers between \$120-140k, while it seems Estimators now command more than double the salary they received back then. A slowing of the building industry post-Olympics could explain many of the trends, where salaries jumped sharply from 2003 onwards and Project Managers became some of the industry’s highest paid professionals.

By 2004 salaries equalled today’s levels. Estimators were among the highest earners not only due to their standing in the industry but also due to the

“...if you had a good Estimator in your company you would go above and beyond to keep them...”

difficulty in acquiring an experienced individual. Naturally, if you had a good Estimator in your company you would go above and beyond to keep them and this hasn’t changed in 2009 with these skills remaining the toughest to find.

One salary constant over the years has been for Cadets. While the supply of Building Cadets is plentiful, they are considered the future of the industry and have always been highly regarded by many who say that a good Cadet can relieve a Project Manager of many pressures and headaches.

In 2009’s salary survey you will see Cadet salaries ranging from \$37k to \$44k, which sits not far from the \$35k package offered in 2001, 2002 and 2004. Building Cadets employed by larger companies on larger projects tend to receive slightly higher salaries.

“The number of industry professionals working 60+ hours per week has fallen...”

An interesting statistic from this year's survey can be found on page 13 in the average working week pie chart. The number of industry professionals working 60+ hours per week has fallen from 32% in 2008's salary survey to a remarkable 5% this year. This statistic is offset by an increase in those working 50-60 hours, which has risen from 35% to 55%.

It is no surprise to see that most survey respondents foresee a decrease in their recruitment activity in the near future, with 41% mentioning a downward trend. This figure is consistent for both permanent and contract staff.

An interesting table can be found on page 17, which shows a change to ease of recruitment. While the most senior industry professionals will always be tough to recruit, less building positions are now considered 'very difficult' to find, with only Estimators remaining in this category.

To close our discussion, we have included your own feedback and comments from your survey responses, which clearly predict challenging times ahead.

Hays Construction greatly appreciates your time in providing the details within this survey and we hope you can benefit from the results. All the best for 2009 and we look forward to assisting you and your business.

Evan Jones
Team Manager
Hays Construction

Salary Information

All Types of Construction

Salaries vs Job Type

	Years of Service		
	Up to 2 Yrs (1st/2nd Yr)	2 to 5 Yrs (3rd/4th Yr)	5 to 10 Yrs +
Cadet	37,000	47,500	N/A
Leading Hand	66,000	78,000	N/A
Foreperson	90,000	99,000	120,000
Site Manager	115,000	131,000	154,000
Project Engineer	79,000	94,000	112,000
Contracts Administrator	76,000	94,000	117,000
Contract Manager	109,000	128,000	160,000
Project Manager	120,000	139,000	171,000
Estimator	87,000	117,000	162,000
OHS Manager	84,000	100,000	125,000
Business Development Manager	126,000	142,000	176,000
Design Manager	101,000	121,000	154,000
Commercial Manager	N/A	N/A	230,000
Construction Manager / Project Director	N/A	N/A	248,000
General Manager/Managing Director	N/A	N/A	357,000

The figures represented in this table are in Australian dollars and are total salary packages.

Salaries vs Construction Type

	Architectural Designed Homes	Residential Project Homes	Fit Out / Refurbishment	Other Commercial	Residential High Density	Industrial	Commercial Highrise
Cadet	42,000	40,000	42,000	42,000	42,500	42,000	43,500
Leading Hand	69,000	71,500	83,000	81,500	74,000	78,000	88,500
Foreperson	103,500	97,500	102,500	102,000	104,500	103,000	111,500
Site Manager	128,000	118,000	129,000	135,000	139,000	136,000	140,000
Project Engineer	76,500	85,000	94,000	96,000	99,000	96,000	100,500
Contracts Administrator	100,000	89,500	92,000	92,000	95,500	95,500	103,000
Contract Manager	101,500	131,500	127,500	131,500	134,000	130,500	137,000
Project Manager	132,000	122,000	148,500	152,000	155,000	153,000	155,000
Estimator	110,000	100,000	120,000	123,000	130,000	128,000	128,500
OHS Manager	96,000	70,000	99,500	102,500	107,500	114,000	115,000
Business Development Manager	140,000	131,500	149,500	154,000	156,500	157,000	155,500
Design Manager	135,000	N/A	128,500	135,000	143,000	141,500	150,000
Commercial Manager	150,000	N/A	186,500	212,500	203,500	216,000	206,000
Construction Manager / Project Director	180,000	250,000	240,000	248,500	242,000	250,000	250,000
General Manager	200,000	300,000	334,000	361,500	350,000	383,500	387,500

The figures represented in this table are in Australian dollars and are total salary packages. The data shown are average figures for candidates with 5+ years experience in the role.

Salaries vs Project Size

	To \$5m	\$5m-\$25m	\$25m-\$50m	\$50m-\$100m	\$100m +
Cadet	41,000	41,000	41,500	43,000	43,000
Leading Hand	63,500	75,000	75,500	82,000	87,500
Foreperson	91,000	97,500	105,000	106,000	114,000
Site Manager	95,500	124,500	138,500	146,500	152,500
Project Engineer	75,000	92,500	94,500	100,500	107,500
Contracts Administrator	79,000	85,500	100,000	105,000	115,000
Contract Manager	90,000	121,500	130,000	138,500	142,500
Project Manager	135,000	139,000	151,500	154,000	183,500
Estimator	96,000	123,500	129,000	133,000	134,000
OHS Manager	73,000	97,000	102,000	105,000	109,000
Business Development Manager	90,000	148,000	149,000	155,000	153,000
Design Manager	75,000	128,000	129,000	136,000	142,000
Commercial Manager	N/A	150,000	181,000	216,000	268,000
Construction Manager / Project Director	152,500	200,000	242,000	257,000	260,000
General Manager	212,500	333,500	375,000	400,000	450,000

The figures represented in this table are in Australian dollars and are total salary packages. The data shown are average figures for candidates with 5+ years experience in the role.

Salaries vs Contractual Arrangement

	Construct Only	Design & Construct	Open Tender	Own Project
Cadet	42,500	40,000	41,000	47,000
Leading Hand	68,000	74,500	67,000	76,000
Foreperson	98,000	105,000	100,500	111,000
Site Manager	120,000	142,000	127,500	148,500
Project Engineer	90,000	98,500	93,000	101,000
Contracts Administrator	85,000	100,000	98,500	91,500
Contract Manager	112,000	142,000	118,500	121,500
Project Manager	129,000	150,500	138,000	156,500
Estimator	115,000	130,500	133,000	119,000
OHS Manager	95,000	107,500	98,000	110,000
Business Development Manager	150,500	144,500	136,000	170,000
Design Manager	127,000	132,000	120,000	138,500
Commercial Manager	250,000	221,500	174,000	N/A
Construction Manager / Project Director	220,000	251,500	231,000	250,000
General Manager	325,000	353,000	340,000	N/A

The figures represented in this table are in Australian dollars and are total salary packages. The data shown are average figures for candidates with 5+ years experience in the role.

Salaries vs Location of Company Base

	Sydney CBD	Within 20km of CBD	Within 50km of CBD	Wollongong to Illawarra	Regional NSW
Cadet	41,000	40,500	39,000	41,500	44,000
Leading Hand	71,500	71,000	67,500	67,500	65,500
Foreperson	105,500	102,500	101,000	84,500	91,000
Site Manager	136,500	135,000	134,000	95,000	98,500
Project Engineer	96,000	95,000	83,000	90,000	86,500
Contracts Administrator	98,000	95,500	91,000	76,500	73,000
Contract Manager	130,000	129,000	128,000	102,000	99,000
Project Manager	151,000	150,000	140,000	128,500	117,000
Estimator	137,000	125,500	137,000	84,000	94,000
OHS Manager	103,500	101,500	98,500	72,500	88,000
Business Development Manager	151,500	145,500	143,000	106,500	N/A
Design Manager	129,000	128,500	121,500	N/A	90,000
Commercial Manager	216,000	184,500	N/A	N/A	N/A
Construction Manager / Project Director	249,500	243,500	250,000	N/A	N/A
General Manager	378,500	350,000	350,000	N/A	N/A

The figures represented in this table are in Australian dollars and are total salary packages. The data shown are average figures for candidates with 5+ years experience in the role.

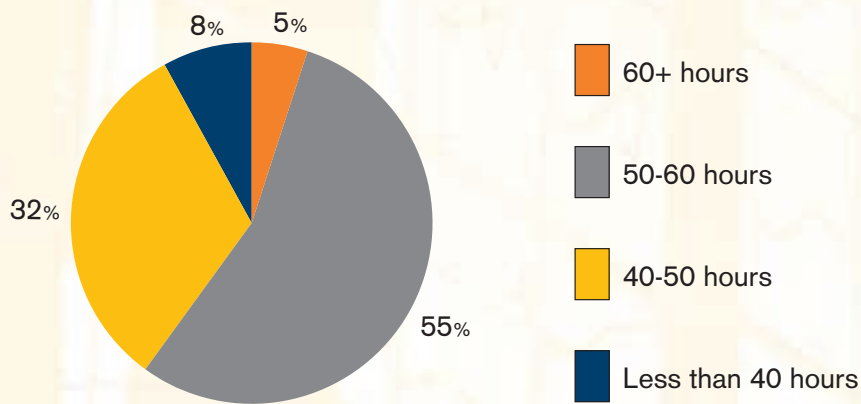
Salaries vs Annual Turnover

	Up to \$10m	\$10m-\$50m	\$50m-\$100m	\$100m-\$250m	\$250m+
Cadet	41,000	42,000	42,000	42,500	43,000
Leading Hand	60,000	70,500	68,000	68,500	79,000
Foreperson	82,500	97,500	92,000	104,000	111,000
Site Manager	97,500	117,500	123,500	137,500	148,000
Project Engineer	61,500	68,000	73,000	94,000	103,000
Contracts Administrator	73,000	89,000	93,000	102,000	104,000
Contract Manager	60,000	111,500	121,500	123,500	141,000
Project Manager	92,000	127,500	139,000	144,500	163,500
Estimator	72,500	111,500	119,500	136,500	146,500
OHS Manager	65,000	97,500	106,500	113,000	118,000
Business Development Manager	110,000	127,500	140,500	153,000	155,000
Design Manager	85,000	118,000	130,000	133,500	141,000
Commercial Manager	120,000	200,000	200,000	213,000	236,000
Construction Manager / Project Director	130,000	244,000	245,000	249,000	258,500
General Manager	150,000	331,000	335,000	340,000	400,000

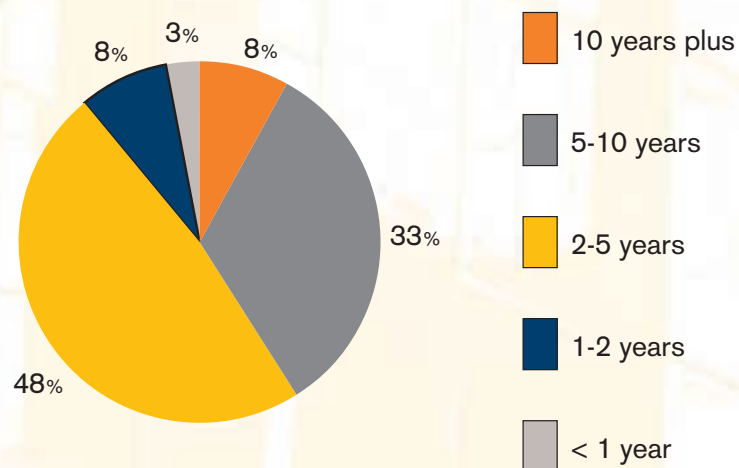
The figures represented in this table are in Australian dollars and are total salary packages. The data shown are average figures for candidates with 5+ years experience in the role.

Industry Trend Information

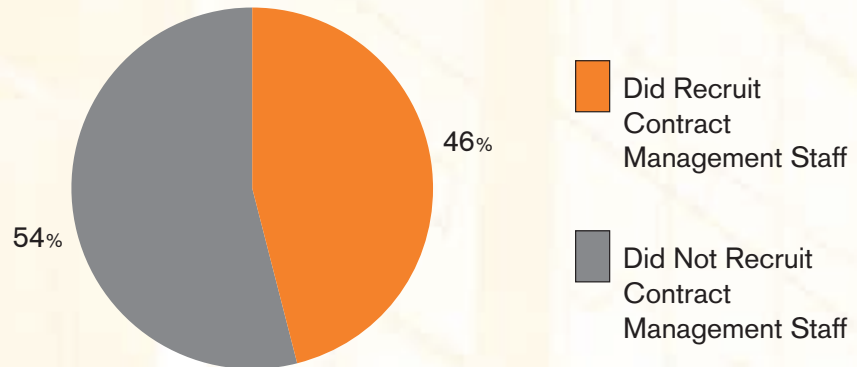
Average Working Week



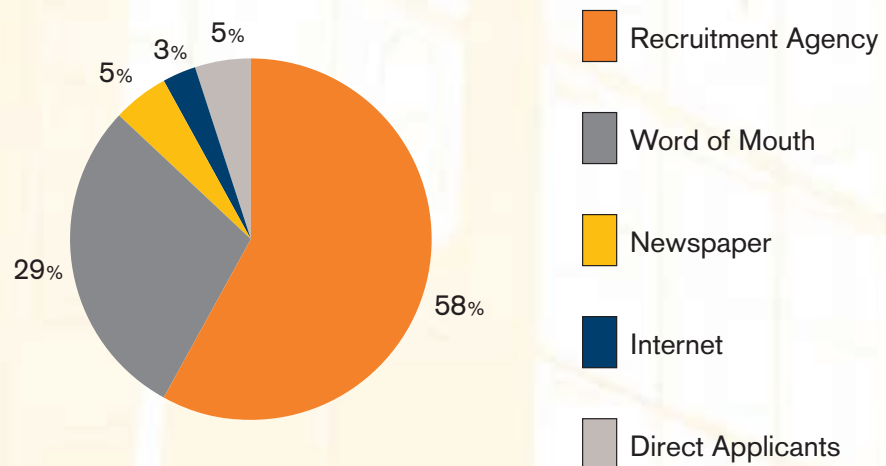
Average Length of Service



Use of Contract Staff for Management Positions

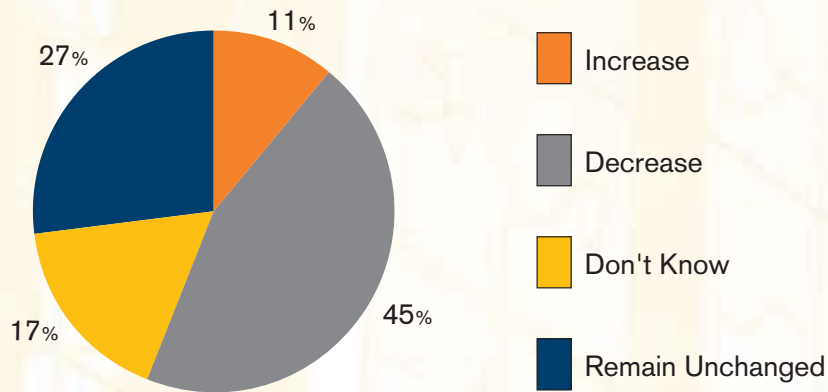


How do you typically recruit contract staff?



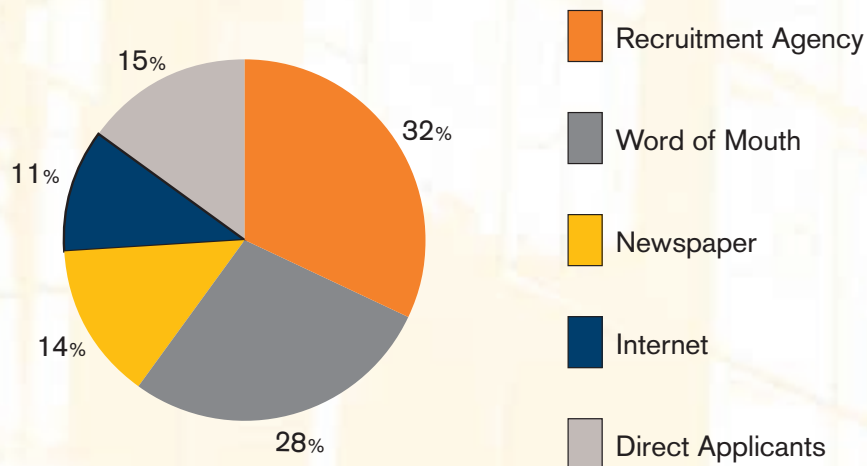
Use of Contract Staff for Management Positions continued...

How do you envisage these trends in the use of contract staff to continue for the next 12 months?



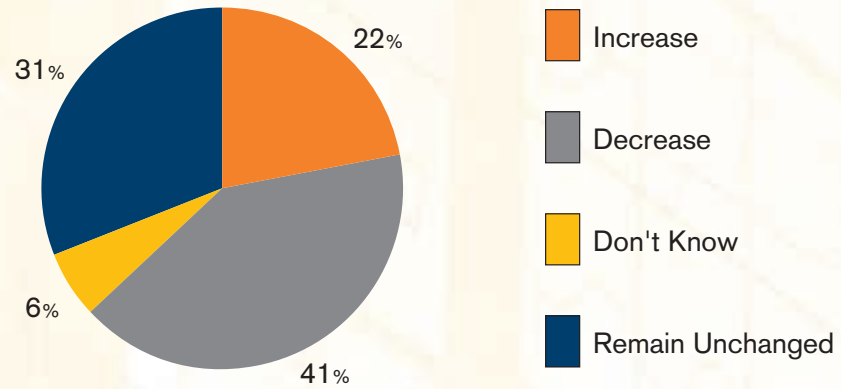
Method of Recruitment for Permanent Staff

Most construction companies conduct a mixture of methods to attract new permanent staff within the construction industry.

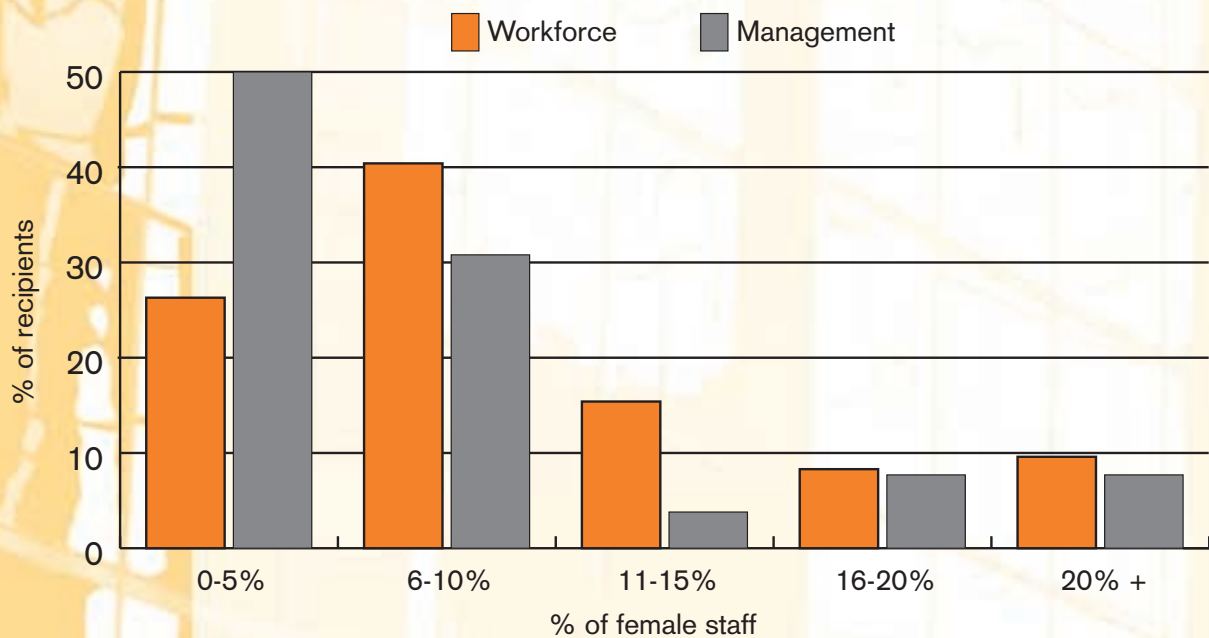


Method of Recruitment for Permanent Staff continued...

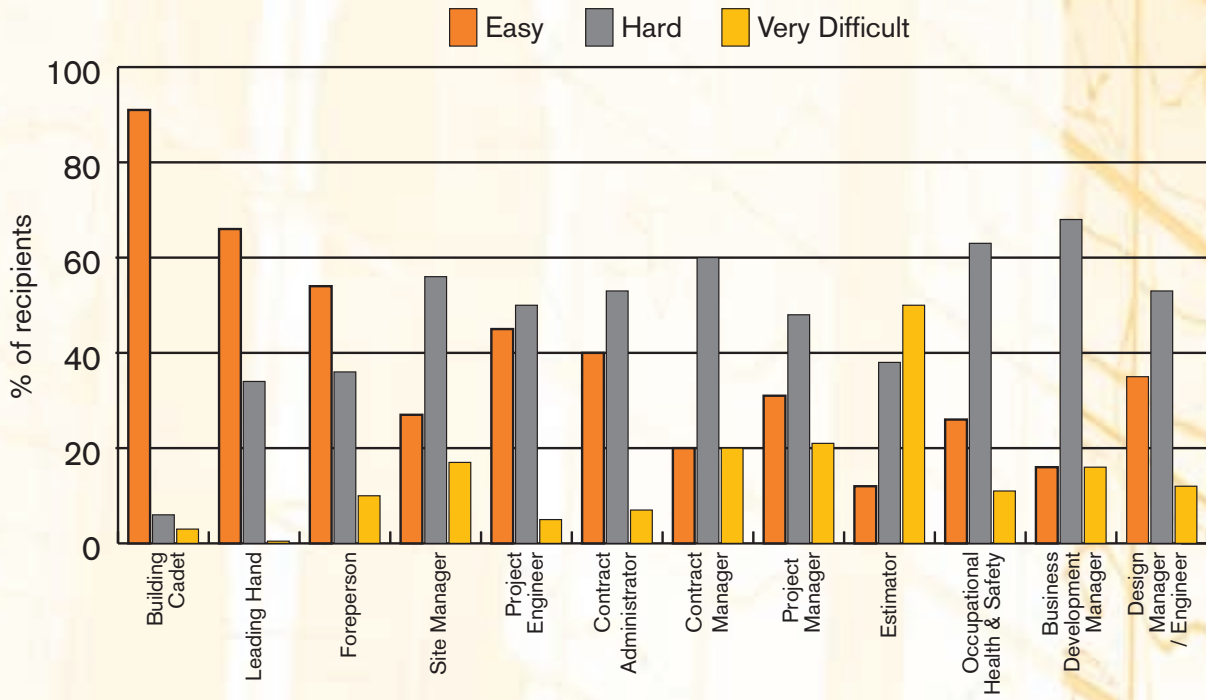
Over the coming year do you envisage this to:



Percentage of Staff who are female

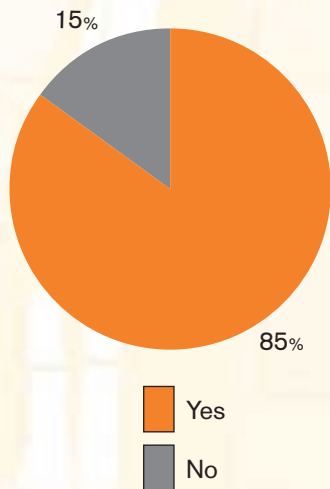


Ease of Recruitment

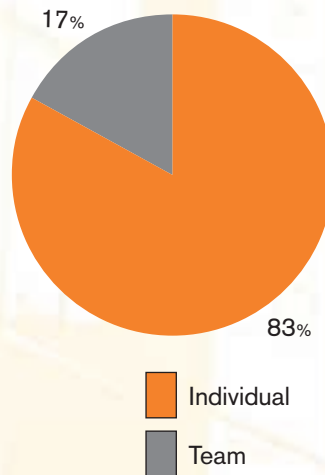


Bonus Schemes

How many companies paid bonuses?

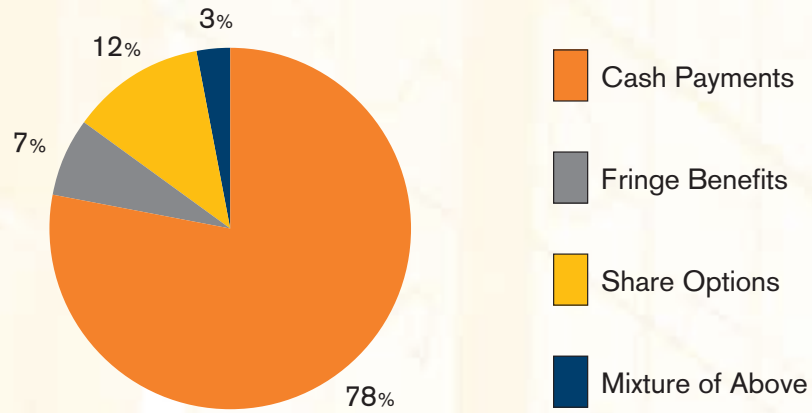


How do companies pay bonuses?

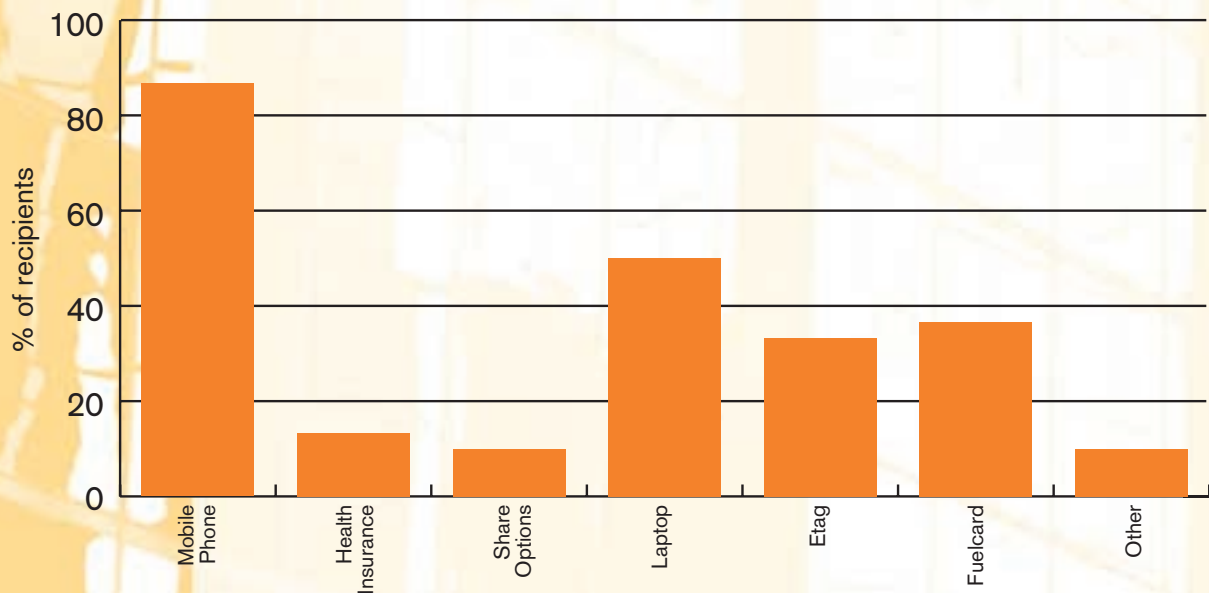


Bonus Schemes continued...

What method of payment was used?



What Fringe Benefits do you include?



Key Issues Facing the Industry

How has the global financial crisis impacted upon your business?

- "Definite slowdown in upcoming work, tender market is very lean."
- "Less forward workload; potential static salary levels; potential staff reduction."
- "Projects already secured are being delayed due to increased presale / prelease finance requirements."

What other key issues / trends have you observed over the past 12 months?

- "Salary expectation explosion over the past 12 months prior to Christmas."
- "Appears to be a flow back into Australia of the skilled staff that chased the dollar in the UK and the UAE."
- "More competition for the limited projects available resultant in squeezing of margins and greater risk taking."
- "Increased numbers of subcontractors facing difficulties, and cashflow problems."

In your opinion how has the change of government affected commercial / building contracting?

- "The escalation of interest rates straight after the election caused a dramatic effect on confidence that has obviously been hugely exacerbated by the global crisis."
- "Release of infrastructure funds for new projects should help."
- "Confidence found no relief with the recent plummeting of interest rates."
- "The upheaval of workplace arrangements will cause grave concern for the upcoming industrial arena."

In what ways do you feel that the challenges facing the construction industry at present will have a positive impact in the long term?

- "The only positive factor is the crashing down to earth of staff remuneration expectations that have been circling the stars for the past 2 years."
- "Yes, a lot of the fat will be cut from the industry. Construction has a cyclical nature - this is not new - just more severe than usual."
- "Safety focus will increase further and IR legislation will impact in ways unknown."

Do you feel the flattening of salaries and labour costs are a positive thing for the industry?

- "We are yet to experience a significant flattening of salaries and labour costs. Good candidates are still commanding good money."
- "Yes, however this will again place pressure on the disparity between the salaries of foremen, and junior staff, against construction workers on healthy union agreements."
- "Definitely, however expectations are still exaggerated."



**Master
Builders
Association**

New South Wales

Master Builders of New South Wales

Phone: 02 8586 3555 Fax: 02 9660 3700

Email: enquiries@mbansw.asn.au



Hays Construction

Phone: 02 9249 2260 Fax: 02 9299 9953

Email: const.sydney@hays.com.au

hays.com.au