



2009 Salary Survey

A guide to salary packages for the NSW Civil Construction Industry



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Acknowledgments

The Civil Contractors Federation (NSW) 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 Scott Desmond, Manager, Hays Construction
Jason Elvy, Senior Recruitment Consultant, Hays Construction, and
Louisa Gibbeson, Compliance Manager, Hays Construction.

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Disclaimer: The Civil Contractors Federation (NSW) in conjunction with Hays Construction has produced Civil Contractors Federation (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 Civil Contractors Federation (NSW) or Hays Construction accept any responsibility for actions or outcomes that are deemed to be based on information contained in this publication.

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Foreword



Civil Contractors Federation (NSW)

The Civil Contractors Federation (NSW) is delighted to partner with Hays Civil Construction to bring members and stakeholders this new initiative.

Doing business in 2009 is going to be one of the greatest challenges members will face in their lifetime.

We have also seen some significant changes to workplace relations, competition policy and environmental law to name just a few.

The Civil Contractors Federation will be working with members to ensure the cost of doing business is monitored to ensure they are empowered to provide a competitive and cost effective service.

One of these initiatives is the first Hays Construction / CCF survey.

We do hope that you can take the time to accurately report on what is happening in your workplace so that the information can be anonymously collated and distributed for the benefit of you and your peers.

If you have any questions or comments regarding this initiative please do not hesitate to contact the Federation.

I commend this survey to members.

David Elliott
Chief Executive Officer
Civil Contractors Federation (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. With projects being put on hold and funding being withdrawn, along with many of the leading global economies slipping into recession, it seems there is nowhere to hide for the civil construction industry.

So what impact has this had on the civil industry in NSW, and what impact has it had on salaries? The reality is that the boom times are in the past and, for now, many organisations are focusing on keeping their talent busy in anticipation of the promised infrastructure work announced in the federal budget. 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 guide will prove to be a useful reference tool both now and in the future. If participating members of the CCF would like to discuss any of the information in more detail or seek the advice of our specialist consultants, please don't hesitate to ask.

Shane Little
Regional Director
Hays Construction

Discussion

Welcome to the first combined Civil Contractors Federation (CCF) and Hays Construction annual Salary Survey for NSW's civil construction industry.

Hays have produced salary survey guides across our entire business for the past 33 years, covering nearly every business sector. Feedback from clients showed we also needed to produce a detailed and industry-specific salary survey for the civil construction industry. This document is the result, and is intended to provide concise salary information to benchmark packages within the market.

From the initial response, it's clearly something we should have produced much sooner. The information provided from survey participants allowed us to produce a meaningful and representative picture of salary trends as they currently stand.

This Salary Survey shows the economic downturn has ended the recent era of inflated salaries, which were influenced by the proliferation of multiple large-scale infrastructure projects and the lack of available skilled professionals.

"...the economic downturn has ended the recent era of inflated salaries..."

As we wait for infrastructure projects to come online following recent federal budget allocations, contractors are enjoying a greater availability of quality candidates with realistic salary expectations.

Page 7 of our Salary Survey shows packages for junior to intermediate candidates (for example Site/Project Engineers and Supervisors) have settled, however packages for senior candidates (for example Project/Operation Managers) remain high as contractors remain competitive to attract and retain quality staff.

With the introduction of the alliance style of contracting, the role of Alliance Manager entered the industry. The varied skills required for this role ensures salary packages are high, second only to Managing Directors in most cases.

Another interesting trend is revealed in the salary versus annual turnover information (page 12). While high-turnover contractors offer slightly higher packages in line with the larger project values they deliver, smaller organisations in some cases offer more than their mid-sized competitors to retain their talent.

"On the subject of staff retention.....44% of you have retained staff for 5-10 years"

On the subject of staff retention, page 14 promisingly shows that 46% of you have retained staff for at least 2-5 years while 44% of you have retained staff for 5-10 years.

To end the survey we included your own comments on the current state of NSW's civil construction industry. These comments show a pragmatic and realistic approach to the coming 12 months.

Thank you for contributing to the first annual CCF/Hays Construction Salary Survey. We hope you find the information useful and beneficial as a recruitment and human resources tool. We look forward to working alongside you in the coming 12 months and wish you a positive year ahead.

Scott Desmond
Manager
Hays Construction

Salary Information

All Types of Construction

Salaries vs Job Type

	Years of Service		
	Up to 2 Yrs	2 to 5 Yrs	5 to 10 Yrs +
Leading Hand	67,000	77,000	N/A
Graduate Engineer	64,000	N/A	N/A
Foreperson / Supervisor	87,500	98,500	113,000
Site Engineer	77,000	91,500	N/A
Project Engineer	88,500	99,000	116,000
OHSE Manager	88,000	99,000	119,500
CA / Quantity Surveyor	73,500	83,500	110,000
Project Manager	114,000	130,500	155,500
Superintendent	118,500	135,000	159,500
Contracts Manager	108,000	121,000	147,000
Quality / Systems Manager	88,500	102,500	124,500
Estimator	83,500	103,000	132,500
Construction Manager	N/A	N/A	177,500
Operations Manager	N/A	N/A	187,000
Commercial Manager	N/A	N/A	182,500
Alliance Mgr / Project Director	N/A	N/A	230,500
General Manager / MD	N/A	N/A	300,500

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

Salaries vs Construction Type

	Bulk Detailed						
	Bridges	Excavation	Dams	Earthworks	Geotechnical	Marine	Other
Leading Hand	80,000	74,000	83,000	71,500	100,000	82,500	78,000
Graduate Engineer	52,500	54,500	62,500	70,000	55,000	61,500	65,000
Foreperson / Supervisor	104,000	120,000	110,000	103,000	115,000	105,000	117,500
Site Engineer	87,500	90,000	89,000	92,500	90,000	107,500	93,500
Project Engineer	120,000	118,000	114,000	111,500	105,000	115,000	133,500
OHSE Manager	130,000	116,500	115,000	94,500	110,000	125,000	141,500
CA / Quantity Surveyor	120,000	102,000	101,000	111,500	115,500	100,000	78,000
Project Manager	150,000	145,000	152,000	137,000	120,000	145,000	174,000
Superintendent	175,000	155,000	154,000	130,000	135,000	152,500	214,000
Contracts Manager	180,000	142,000	145,000	123,500	150,000	145,000	163,000
Quality / Systems Manager	120,000	112,500	113,500	115,000	90,000	120,000	165,000
Estimator	180,000	130,000	145,000	109,000	120,000	140,000	160,000
Operations Manager	210,000	225,000	207,000	138,000	140,000	160,000	298,000
Construction Manager	200,000	210,000	196,000	156,000	150,000	175,000	237,000
Commercial Manager	175,000	180,000	190,000	185,000	145,000	145,000	250,000
Alliance Mgr / Project Director	235,000	245,000	280,000	250,000	165,000	165,000	278,000
General Manager / MD	250,000	255,000	315,000	256,500	170,000	185,000	404,500

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 Construction Type Continued

	Rail	Roads	Subdivision	Utilities	Water Pipeline	Water Treatment
Leading Hand	75,000	67,500	70,000	75,000	73,000	68,500
Graduate Engineer	67,500	58,500	57,500	67,500	65,500	58,500
Foreperson / Supervisor	102,500	101,500	112,500	100,000	102,000	115,500
Site Engineer	90,000	81,500	92,500	90,000	91,500	64,000
Project Engineer	117,500	106,000	115,000	120,000	105,500	125,000
OHSE Manager	125,000	115,000	117,500	85,000	120,000	96,500
CA / Quantity Surveyor	120,000	97,000	80,000	84,500	86,500	85,000
Project Manager	150,000	156,000	135,000	120,000	150,500	145,000
Superintendent	148,500	159,500	140,000	125,000	156,500	145,500
Contracts Manager	157,500	120,500	125,500	105,000	140,000	150,000
Quality / Systems Manager	95,000	113,000	115,000	75,000	119,000	117,500
Estimator	128,500	135,000	125,000	115,000	154,500	155,000
Operations Manager	181,000	150,000	160,000	135,000	194,000	149,000
Construction Manager	196,000	158,500	150,000	150,000	159,000	195,500
Commercial Manager	157,500	159,000	152,500	136,500	176,500	108,500
Alliance Mgr / Project Director	240,000	207,500	180,000	171,000	194,000	175,000
General Manager / MD	275,000	295,500	280,000	175,000	400,000	247,500

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	\$50m-\$100m	\$100m +
Leading Hand	71,000	73,500	87,500	85,000
Graduate Engineer	62,500	64,500	64,500	61,500
Foreperson / Supervisor	98,000	107,500	116,000	117,000
Site Engineer	87,500	88,500	89,000	89,500
Project Engineer	99,500	112,500	117,500	126,000
OHSE Manager	97,000	107,000	130,000	134,500
CA / Quantity Surveyor	93,000	97,000	119,500	119,500
Project Manager	131,500	133,000	174,500	183,000
Superintendent	124,500	145,000	181,500	188,500
Contracts Manager	111,000	131,000	157,500	157,500
Quality / Systems Manager	92,000	115,500	145,000	147,500
Estimator	114,500	120,000	149,500	161,500
Operations Manager	134,500	145,000	229,500	230,500
Construction Manager	138,500	163,500	232,000	289,000
Commercial Manager	138,500	138,000	211,500	212,500
Alliance Mgr / Project Director	171,500	157,000	267,500	269,500
General Manager / MD	185,500	265,500	410,000	418,000

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.

**No responses for projects between \$25m-\$50m.

Salaries vs Contractual Arrangement

	Sub Contractor	Design & Construct	Project Management	Head Contractor
Leading Hand	73,500	80,500	80,500	83,500
Graduate Engineer	66,000	64,500	64,500	66,000
Foreperson / Supervisor	93,000	109,000	107,000	111,500
Site Engineer	88,500	94,500	93,500	92,500
Project Engineer	114,500	121,500	119,500	120,000
OHSE Manager	109,000	124,000	122,000	126,000
CA / Quantity Surveyor	104,000	125,000	131,000	154,500
Project Manager	138,000	146,000	152,500	170,000
Superintendent	124,000	160,000	159,500	173,000
Contracts Manager	131,000	158,500	157,500	160,000
Quality / Systems Manager	119,000	121,500	124,000	130,000
Estimator	114,500	137,000	138,500	148,000
Operations Manager	161,500	179,000	182,000	209,500
Construction Manager	146,500	187,000	186,500	190,500
Commercial Manager	168,500	179,000	182,000	189,500
Alliance Mgr / Project Director	213,500	225,000	227,000	236,500
General Manager / MD	233,500	275,000	301,500	348,000

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 Location of Company Base

	Sydney CBD	Within 20km of CBD	Within 50km of CBD	Wollongong / Illawarra	Newcastle / Hunter	Regional NSW
Leading Hand	81,500	79,000	73,000	83,000	78,000	72,500
Graduate Engineer	61,000	64,500	63,000	61,500	70,500	61,500
Foreperson / Supervisor	117,500	112,000	106,500	117,500	113,500	105,500
Site Engineer	94,000	93,500	86,000	88,500	88,500	87,500
Project Engineer	121,500	114,000	110,500	116,500	118,500	119,000
OHSE Manager	127,000	130,500	113,500	135,000	126,000	103,000
CA / Quantity Surveyor	119,000	101,500	100,000	98,500	99,000	94,000
Project Manager	164,500	163,000	153,500	163,000	165,000	155,000
Superintendent	166,500	169,000	140,000	170,000	150,000	152,000
Contracts Manager	152,000	157,000	100,000	115,000	117,500	123,500
Quality / Systems Manager	130,500	127,500	118,000	125,000	125,000	114,000
Estimator	146,500	134,500	119,000	117,500	127,500	101,500
Operations Manager	210,000	198,000	198,000	215,000	203,000	190,000
Construction Manager	185,000	177,500	154,000	160,000	178,000	160,500
Commercial Manager	181,000	189,500	165,000	169,000	174,000	172,000
Alliance Mgr / Project Director	293,500	284,000	280,000	300,000	255,500	239,000
General Manager / MD	350,000	301,500	291,000	339,500	303,500	278,500

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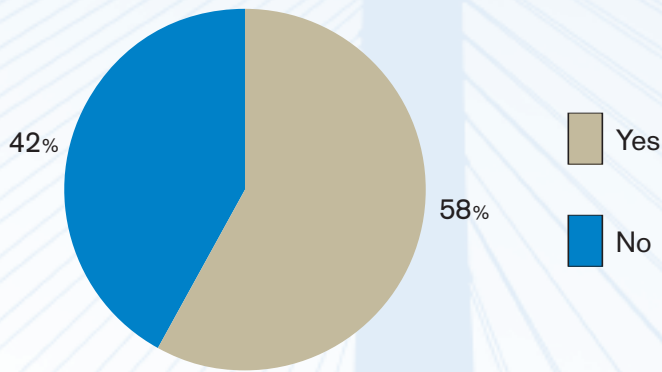
Salaries vs Annual Turnover

	Up to \$10m	\$10m-\$50m	\$50m-\$100m	\$100m-\$250m	\$250m+
Leading Hand	80,500	70,000	70,000	68,500	84,500
Graduate Engineer	56,000	61,500	71,500	57,500	66,000
Foreperson / Supervisor	107,000	92,500	113,000	95,000	121,500
Site Engineer	85,000	92,500	95,500	86,500	92,500
Project Engineer	125,000	112,500	112,000	106,500	123,500
OHSE Manager	117,000	105,000	122,500	82,500	131,500
CA / Quantity Surveyor	130,000	85,000	98,500	82,500	119,000
Project Manager	160,000	125,500	144,500	155,000	177,000
Superintendent	165,000	124,000	145,000	155,000	178,500
Contracts Manager	178,500	115,000	135,000	145,000	158,000
Quality / Systems Manager	148,500	96,500	110,000	90,000	135,500
Estimator	112,000	110,000	129,500	131,500	150,500
Operations Manager	148,000	129,500	190,500	189,500	220,000
Construction Manager	152,000	135,000	176,000	184,500	208,000
Commercial Manager	151,600	153,000	162,500	165,000	178,500
Alliance Mgr / Project Director	175,000	187,000	215,000	225,000	265,000
General Manager / MD	241,500	253,500	262,500	280,000	285,000

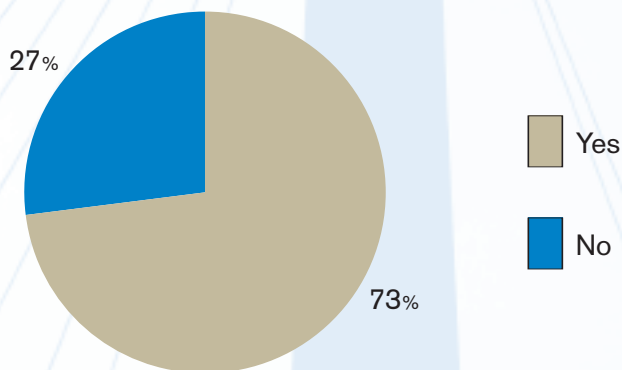
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Industry Trend Information

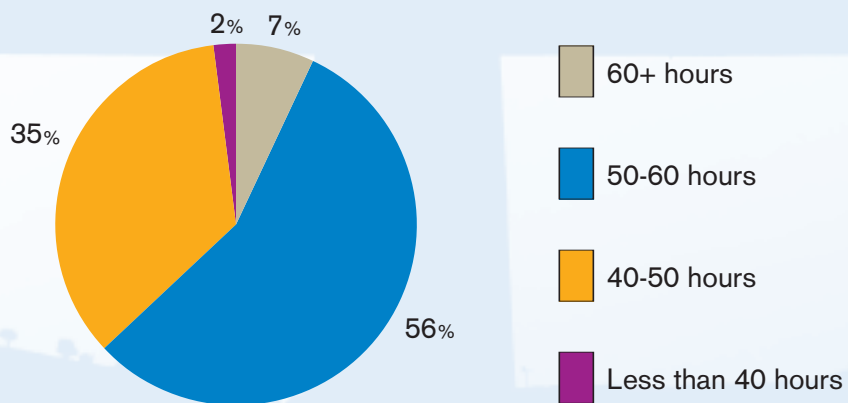
Sydney Water Accreditation



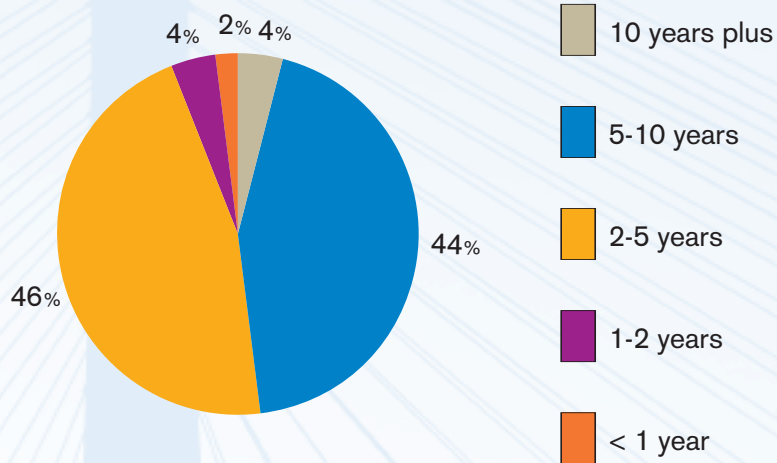
RTA Pre-Qualification



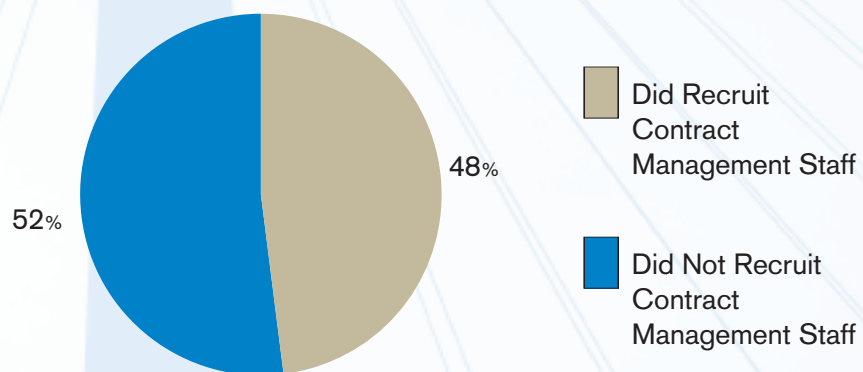
Average Working Week



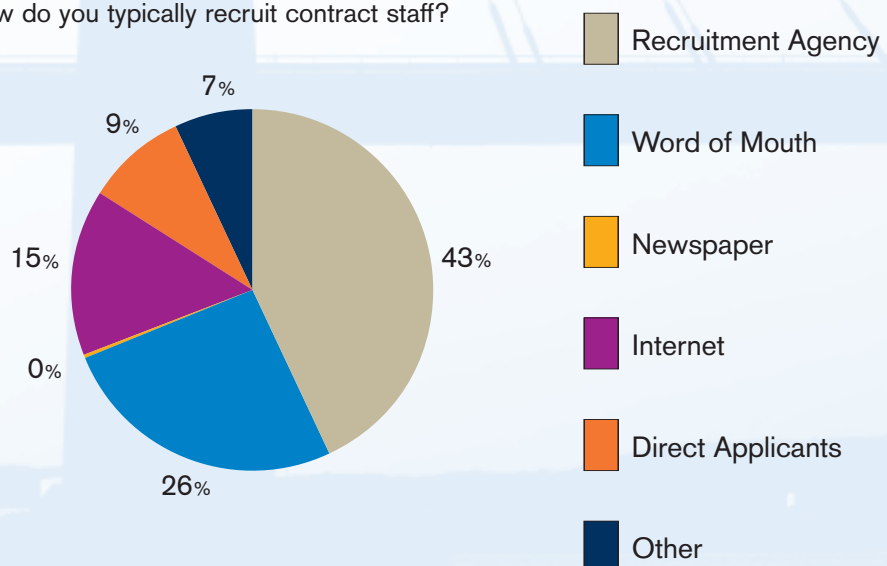
Average Length of Service



Use of Contract Staff for Management Positions

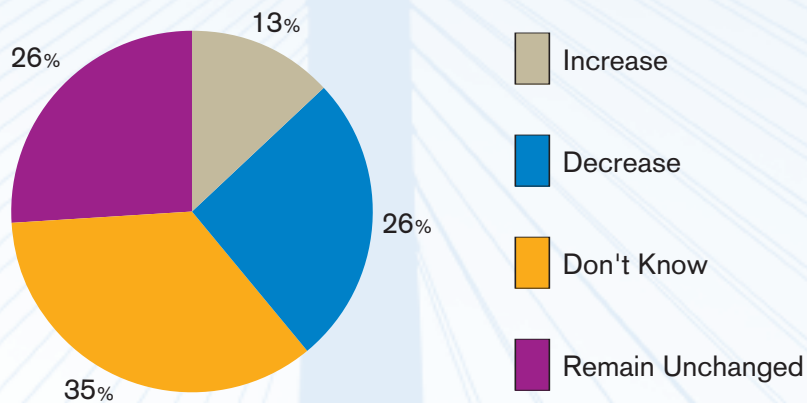


How do you typically recruit contract staff?



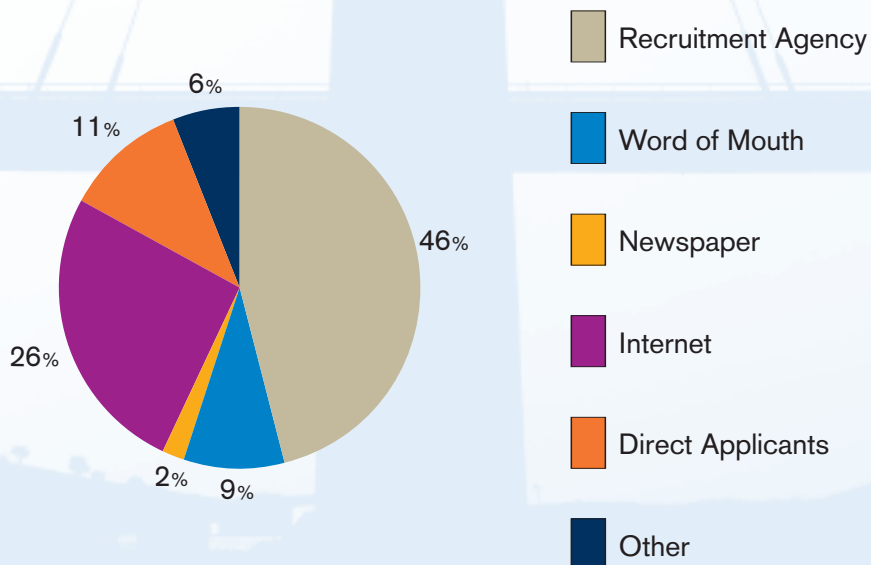
Use of Contract Staff for Management Positions continued...

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



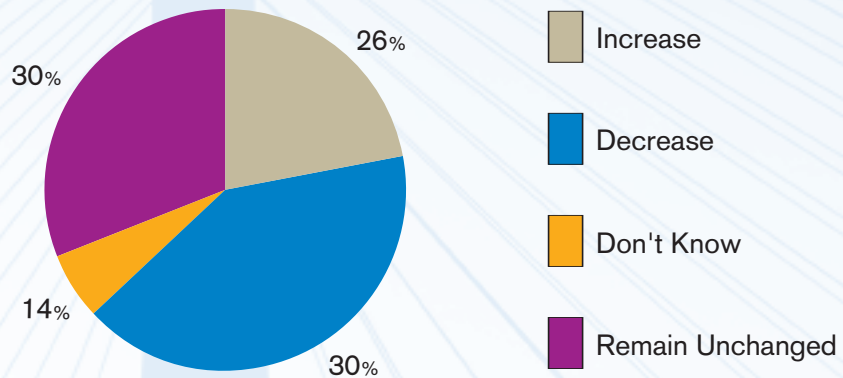
Method of Recruitment for Permanent Staff

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

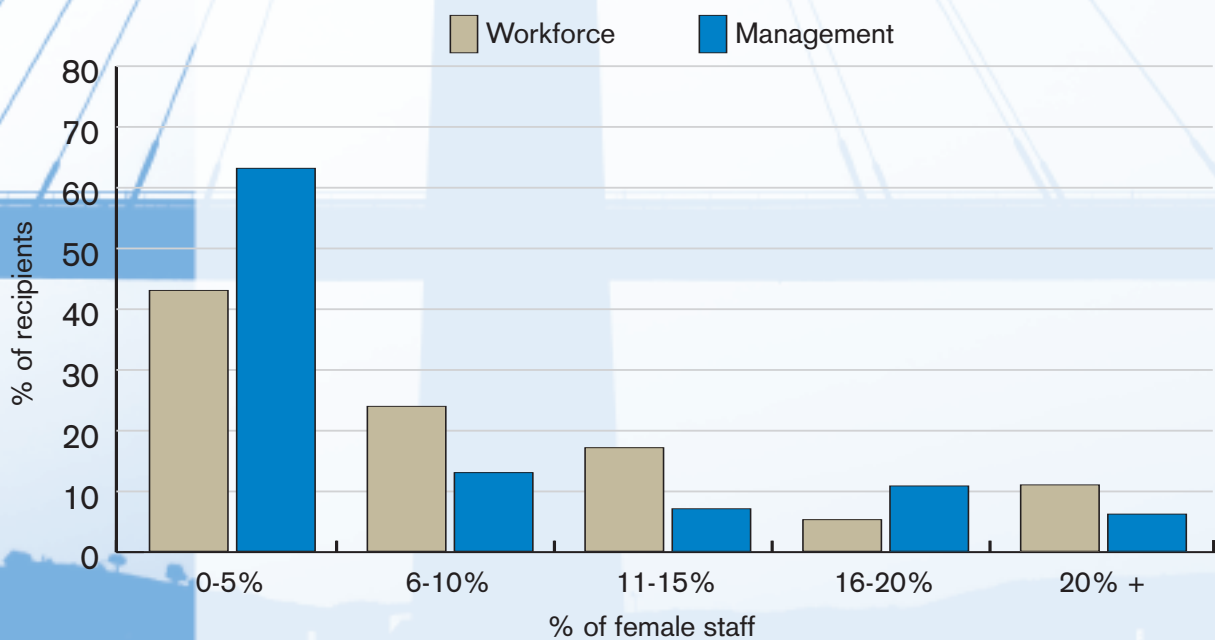


Method of Recruitment for Permanent Staff continued...

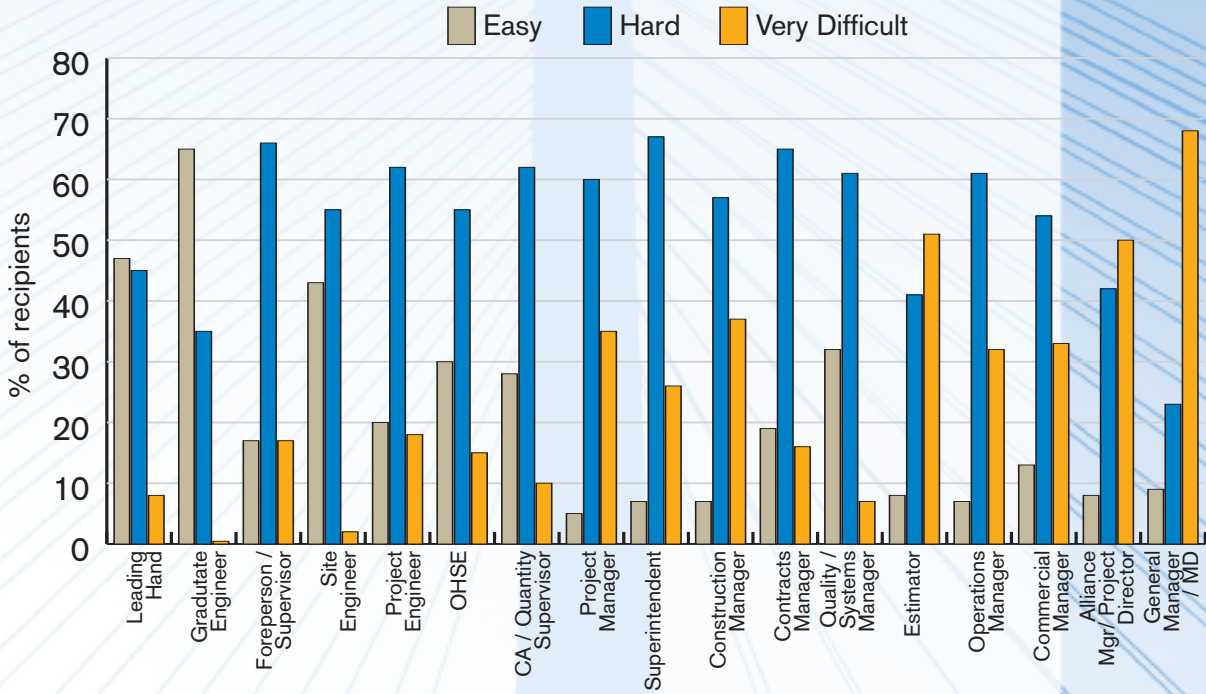
Over the coming year do you envisage this to:



Percentage of Staff who are female

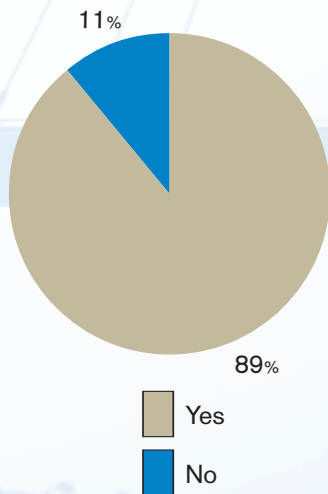


Ease of Recruitment

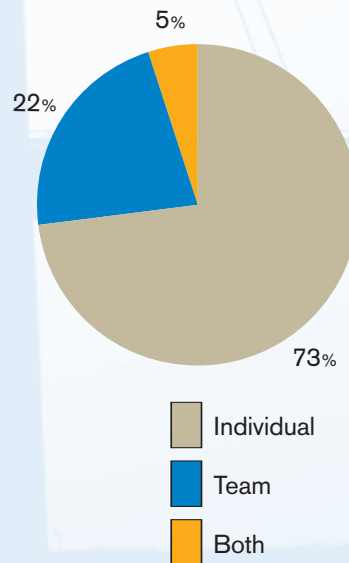


Bonus Schemes

How many companies paid bonuses?

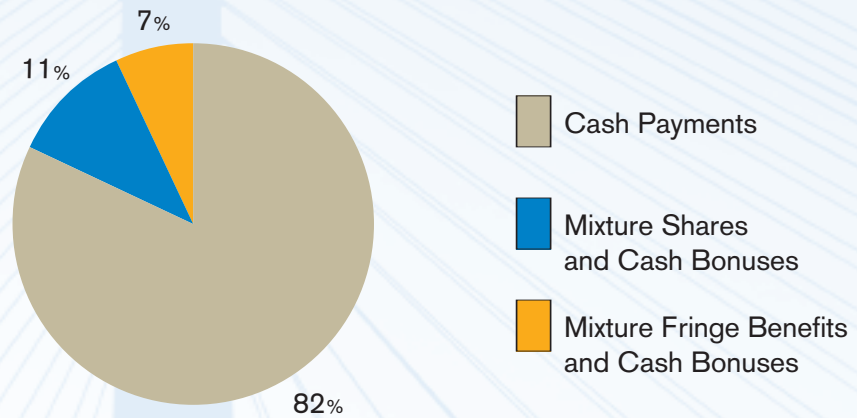


How do companies pay bonuses?

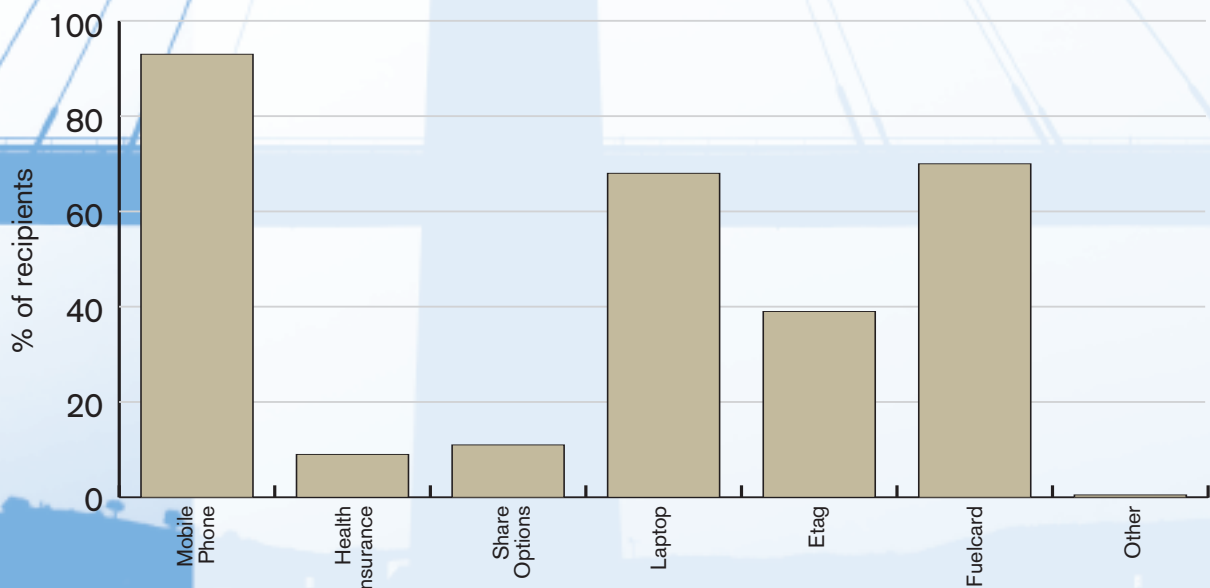


Bonus Schemes continued...

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?

- "Turnover has decreased and some employees have been laid off."
- "Uncertainty. Corporate trimming. But optimistic re: stimulus works."
- "The tendering marketing has become a lot more competitive as other contractors are reducing their percentage mark."
- "Project start times are being pushed back further and further due to funding issues."

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

- "Reduced infrastructure spending. More alliancing."
- "General willingness of subcontractors and suppliers to improve service and customer focus."
- "Increasingly significant challenges and delays for project developers and investors due to government "red tape" and bank funding. Longer tendering periods and delays to award and start projects. Reduced project workload has reduced demand for personnel which has seen flattening and "realistic" salaries becoming apparent."
- "Less privately funded work. Tier 2 contractors bidding for larger projects. More candidates looking for work after returning from working overseas in Dubai, India and the UK."

In your opinion how has the change of government affected the civil construction industry?

- "At least now we can put more confidence in 'promises' as the new government tends to be more honest and pragmatic."
- "Not so much the change of Govt but the Stimulus packages have been positive."
- "More union activity and likely to become greater yet; fewer major projects reliant on federal funding coming through the pipeline."

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

- "Strong Contractors will strengthen and hold good staff."
- "Will become lean and mean to survive."
- "All challenges have a positive impact in the long term, particularly the experience of going through tough times which many people within the industry have not yet seen."
- "May weed out some operators who are not professional in their management and service provision."

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

- "The salaries have not flattened for good candidates although the averages have decreased."
- "Not really because it reduces motivation to progress."
- "Yes, the last 2 years has been a candidate driven market.....now that salaries are flattening we are able to hire good quality employees and prepare for the busy period."
- "Yes, the higher salaries and labour costs were making it unsustainable for SMEs to compete in the labour market."



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