

MINING & RESOURCES 08/09

Salary

SALARY & EMPLOYMENT FORECAST

Michael Page
INTERNATIONAL

WELCOME

Welcome to the 08/09 Michael Page International Mining & Resources Salary & Employment Forecast.

Michael Page International is a world-leading specialist recruitment consultancy. Growing entirely organically, rather than by mergers or acquisitions, we now have over 5,000 people in 149 offices in 25 countries worldwide. Coming from all industry sectors, our clients range from market-leading multi-nationals to small and medium sized enterprises.

Our consistent organic growth strategy of investment through cycles is driving our growth in the specialist recruitment market in Australia. In just 23 years, we have grown to become one of the best-known and most respected recruitment consultancies and are proud to set the standard within our profession for specialist service, with a personal touch.

This year, the format of our Salary Survey has changed to reflect our growing business in Australia and make it easier for employers and candidates to stay abreast of current employment market and salary trends.

While a number of current industry surveys provide qualitative insight on hiring intentions and salary levels, the Michael Page International Salary & Employment Forecast combines both quantitative and qualitative research derived from our national survey of employers and job seekers and our extensive involvement in the professional labour market.

The national survey, completed by approximately 1,500 employers and 5,500 employees, covers a range of issues and trends relevant to today's corporate sector and establishes the Salary & Employment Forecast as a highly reputable report, based on in-depth national research.

The Mining & Resources Salary & Employment Forecast provides employers and candidates with useful insights into the hiring expectations, recruitment challenges and wage forecasts of key hiring managers in the mining and resources professions over the coming year. You can also view the Salary & Employment Forecasts for the following key professions on our website:

- Finance
- Financial Services
- Legal
- Marketing
- Sales
- Technology
- Human Resources
- Engineering & Manufacturing
- Procurement & Supply Chain
- Property & Construction

I wish to thank everyone who contributed to this year's Salary & Employment Forecast and trust you find the new report helpful and informative. We welcome your feedback and encourage you to contact us for further information or market specific advice at www.michaelpage.com.au/contact-us.



Phillip Guest
Managing Director, Australia

MARKET OVERVIEW

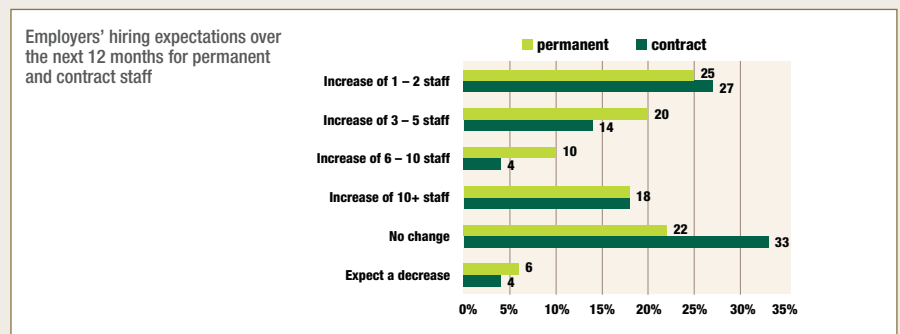
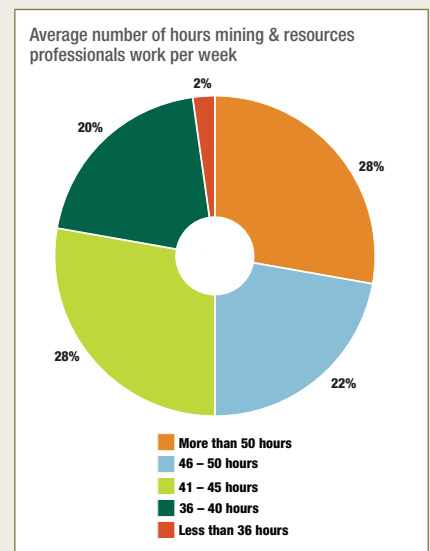
The tight labour market in mining and resources is expected to continue over the next 12 months due to the number of projects either in planning or already under construction. Our survey results reinforce this, with 73% of companies predicting permanent staff numbers to increase in the coming year and 63% expecting growth in contract employment.

The mining and resources sector is a significant driver of employment activity in the Queensland and Western Australia economies. Queensland's resources sector is the powerhouse of the state's strong economy with a variety of mineral deposits and petroleum resources, including coal reserves that making it the largest seaborne exporter of coal in the world. Similarly, Western Australia continues to be internationally recognised as a location of choice for mining, resources, oil and gas investment.

Continued growth across the sector is having a flow on effect to the professional labour market and continues to drive demand for talent. It is a particularly buoyant market for senior professionals and candidates with specialist skill sets. Mining engineers, geologists and design engineers are all highly sought after due to infrastructure investment and increasing pressure on

companies to commence and accelerate production while commodity prices are high.

A continued flow of skilled labour to Queensland and Western Australia is essential to the future growth of a vibrant, strong and internationally competitive mining and resources sector. The challenge for employers is to be more creative in their recruitment strategies to attract and retain talent. With increasing investment in the sector, global demand for skills and the ageing workforce, we encourage employers to look at flexible work practices and initiatives such as fly-in, fly-out (FIFO) options aimed at boosting labour force participation rates.



SKILLS IN DEMAND

The mining and resources sector is experiencing the most acute skills shortage of any profession. Considering the volume of new operations, global demand and employee turnover, we expect the labour market to remain buoyant into the foreseeable future.

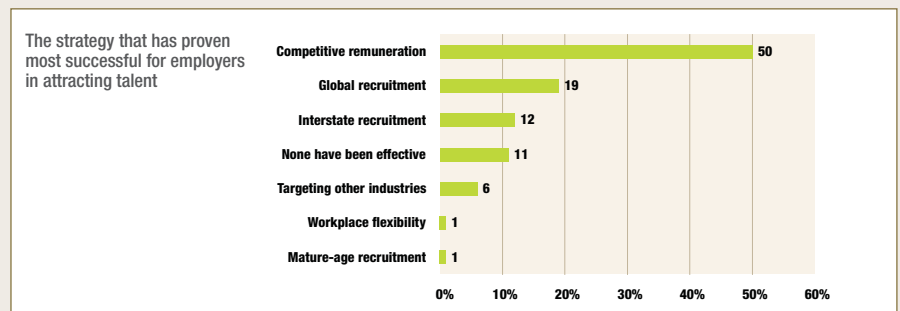
According to the Australian Mines and Metals Association (AMMA), the mining industry is experiencing the highest vacancy-to-employment ratio of any industry, with around 3.6 vacancies for every 100 people employed. This is positive news for mining engineers and geologists, who are very highly sought after in Western Australia and Queensland, where companies are under pressure to capitalise on record high commodity prices.

Demand for senior design engineers and drafters is also strong due to investment in infrastructure and the volume of

mining projects in development phase. Consulting firms are in desperate need of senior professionals with planning, design and management expertise. Some employers are having to recruit overseas and interstate professionals to meet deliverables for larger scale projects.

We also expect a continued emphasis on contract employment due to the volume of project-based work and urgency

to optimise the rate of return on the production process while commodity markets are buoyant. Employees are increasingly receptive to considering contract employment due to the cyclical nature of the industry and the opportunity to be contracted on a project basis.

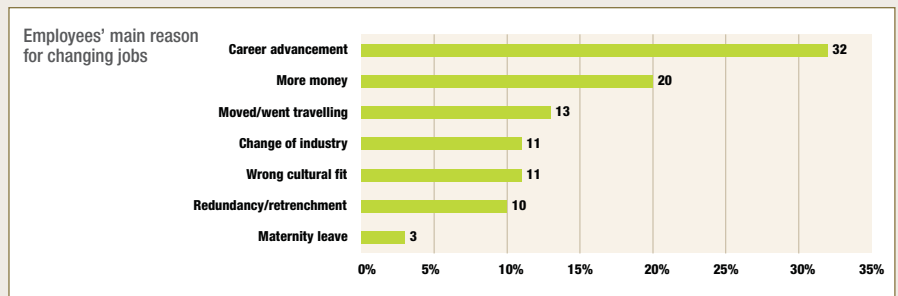
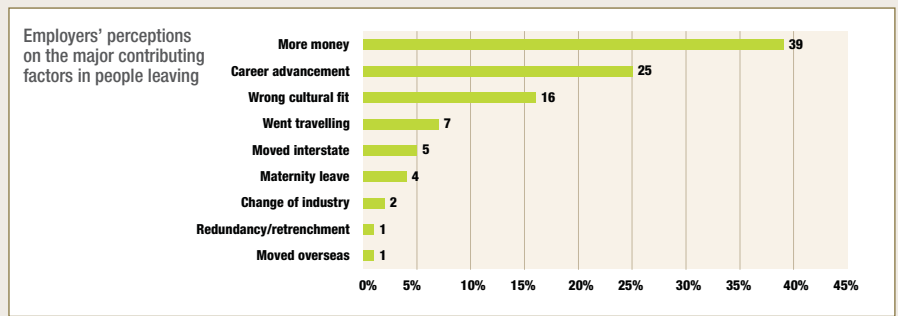


RECRUITMENT CHALLENGES

Australia's economic growth is influenced by the success of the mining and resources sector, but many companies are constrained because they don't have the skilled workforce to support such an unprecedented rate of growth. To fill the skills gap and keep up with projected production increases, employers will need to think and act more creatively to find and retain talent.

With the requirement for professionals increasing steadily over the next few years, the number of people retiring from the sector is a serious challenge facing the industry. Our survey results show that 86% of employers think the ageing workforce will have a moderate or significant impact on their organisation over the next three to five years. According to Mining Australia, the ageing workforce is causing an annual attrition rate of approximately 5–6% from the sector. Many employees at retirement age are willing to remain in the workforce on a part-time or contract basis and employers need to capitalise on this and communicate and champion the benefits of flexible work practices in order to retain their services.

It is promising to see increasing numbers of employers open to recruiting candidates from overseas. While the traditional sources for engineering talent were western countries, South Africa, Canada and Brazil are now an effective source of engineering expertise.



As a minimum, companies need to be willing to sponsor 457 visa candidates, provide FIFO options in remote locations and, in addition to the compensation packages, sign-on and loyalty bonuses.

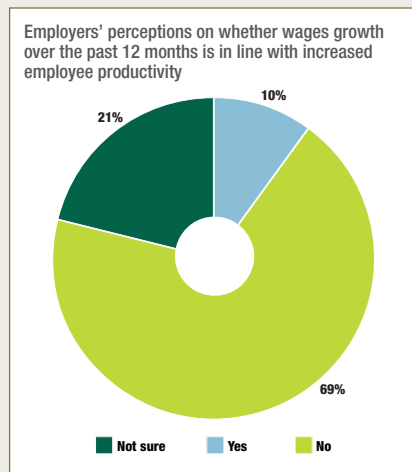
It is also vital for companies to provide competitive incentives and benefits to retain talent in the current tight labour market. An increasing number of employers are offering a FIFO commute roster from regional locations

in Queensland and Western Australia as part of a broader strategy to provide employees with a range of work and lifestyle options. Flexibility is vital to talent retention and we are seeing employers offer a range of work options including a nine day fortnight and compressed working day (8am – 6pm).

WAGES INFLATION

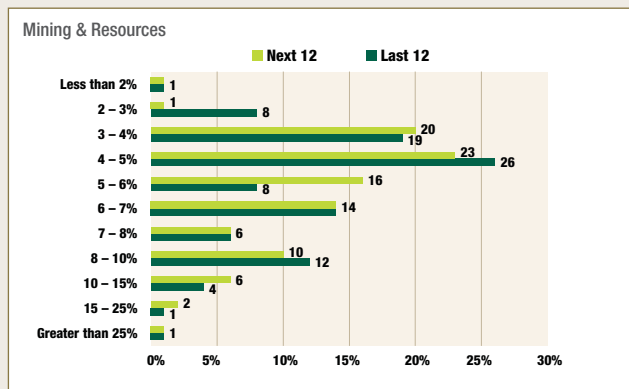
The mining industry has experienced the strongest wages growth of any industry. While salaries have increased significantly over the past 12 months, employers are recognising that they can't compete purely with dollars and need to provide non-financial incentives and benefits.

We anticipate salary increases of between 10–15% over the next 12 months, with up to 20% for highly sought after skill sets. Loyalty and sign-on bonuses remain common.



EMPLOYER SALARY PREDICTIONS

Percentage increase next 12 months VS last 12 months



SALARY TABLE MINING & RESOURCES

State	WA	WA	QLD	QLD
Size of Company	Sml/Med	Large	Sml/Med	Large
Salary	\$'000	\$'000	\$'000	\$'000
DESIGN & CONSULTING				
Graduate Engineer	55–65	60–70	50–60	55–70
Design Engineer	85–120	80–130	75–105	95–115
Senior Design Engineer	120–170	130–170	120–135	125–140
Lead Engineer	145–170	160–190	135–160	150–180
Principal Engineer	160–190	170–220	160–190	170–220
Engineering Manager	150–180	190–240	145–160	165–185
PROJECT MANAGEMENT & CONSTRUCTION				
Field/Site Engineer	100–160	120–170	90–130	110–140
Construction Manager	180–210	220–260	170–210	200–240
Project Engineer	85–130	100–140	75–105	95–115
Senior Project Engineer	120–140	130–160	120–135	125–140
Project Manager	180–250	220–280	180–220	200–250
Project Director	N/A	280–350	N/A	280–350
Senior Planning Engineer	130–150	135–165	110–140	130–155
Senior Cost Engineer/Estimator	120–150	135–160	100–135	130–155
Project Controls Manager	160–190	170–210	150–180	170–200
Senior Contracts Engineer	130–150	140–180	110–140	130–155
Contracts Manager	160–190	170–220	150–180	170–200
OPERATIONS & TECHNICAL				
Graduate Engineer	60–85	70–90	60–75	60–80
Process/Metallurgist/Mechanical/Electrical Engineer	75–110	80–120	70–110	80–120
Senior Process/Metallurgist/Mechanical/Electrical Engineer	110–140	120–170	110–140	80–120
Maintenance/Reliability Engineer	80–105	100–145	75–100	80–110
Maintenance Superintendent	110–140	140–160	110–135	140–160
Project Engineer	85–120	100–130	60–90	75–105
Senior Project Engineer	110–135	130–155	80–115	90–125
Projects Superintendent	130–160	140–180	95–120	120–140
Maintenance Manager	140–175	170–230	130–170	160–200
Engineering Manager	140–190	170–240	130–170	160–200
Process/Metallurgy Manager	150–180	160–230	150–180	160–220
Mining Engineer	90–120	90–120	80–110	90–120
Senior Mining Engineer	115–145	125–160	110–140	120–150
Mining Superintendent	140–180	150–190	130–170	150–185
Quarry/Underground Manager	190–230	220–250	190–220	200–240

Please note:

- Salaries indicated are inclusive of superannuation, but exclusive of bonus/incentive schemes.
- Small to medium companies are defined as having a turnover of less than \$100 million. Large companies are defined as having a turnover of more than \$100 million.
- Roles marked N/A are not commonly found in small to medium companies.

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