

PROPERTY & CONSTRUCTION 08/09

Salary

SALARY & EMPLOYMENT FORECAST

Michael Page
INTERNATIONAL

WELCOME

Welcome to the 08/09 Michael Page International Property & Construction 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 expansion 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 Property & Construction 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 property and construction profession 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
- Mining & Resources

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

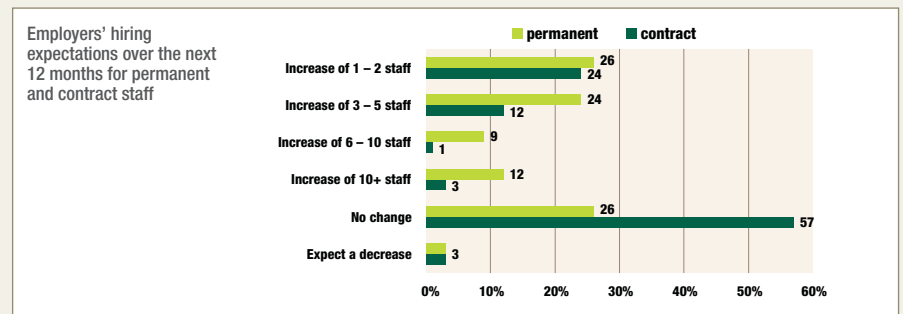
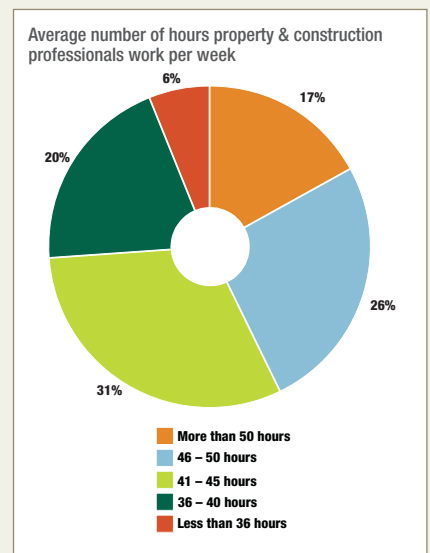
The employment market for property and construction professionals remains strong in Western Australia and Queensland due to an already tight labour market and growth in infrastructure and construction activity. Employers continue to report difficulties in finding and retaining quality talent which is further compounded by competition from companies overseas. Our survey results indicate that over 50% of employers experienced difficulty retaining staff over the past 12 months and all employers surveyed see retention as an important focus for the year ahead.

Recruitment activity in the heavy industrial sector is particularly buoyant due to the mining and resources boom. Increased investment in large scale industrial projects across the mining and resources sector is driving demand for construction professionals. Employer confidence has declined somewhat in the residential sector and to a lesser extent in the commercial sector, due to higher interest rates and credit market concerns. However, property and construction professionals are still highly sought after to support the volume of projects either in planning or already under construction.

The domestic skills shortage is being intensified by competition from overseas companies who are increasingly coming to Australia on recruitment drives to lure

our professionals with attractive salary packages and benefits. Australia has a strong reputation for delivering projects of global standing and consequently our property and construction professionals are highly sought after overseas. This has been particularly evident in places like Dubai and China where the rapid pace of development means companies are desperate for talent.

Employers need to highlight the career benefits of working in Australia to remain competitive in the global employment market. The mining and resources boom in Western Australia and Queensland is driving employment growth in the sector and there is no better time for professionals to work on world-class challenging and rewarding projects. As a result, we are seeing an increase in the number of employers targeting expatriates and pursuing global recruitment strategies to help source talent.



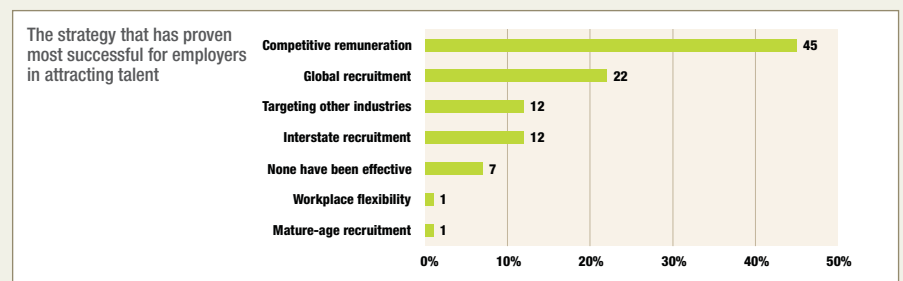
SKILLS IN DEMAND

The shortage of property and construction professionals has reached critical levels over the past few years. Consequently, a short-term dampening in employment growth across the residential sector and some areas of the commercial sector will not have a major impact on employment opportunities. Western Australia and Queensland continue to experience the greatest demand due to continued resources, mining and construction activity and population growth.

The industrial sector is performing strongly, driven by the mining and resources boom and this is having a marked impact on recruitment activity. With a significant amount of infrastructure and building work at development stage, engineering and construction professionals who are prepared to be based remotely are very highly sought after. Structural, civil and mechanical engineers, construction managers and project managers are the jobs in most demand.

We expect continued employment growth in the commercial sector as construction of new buildings remains strong due to increasingly tighter occupancy rates in the office sector. Despite recent increases in the cost of capital having an impact on new project developments, there are enough projects already in development to drive continued demand for talent. Quantity surveyors, project managers and candidates with high rise construction experience are all highly sought after in the current market.

Interest rate increases and the rising cost of capital are having an impact on employment growth in the residential sector. While positions based in corporate offices such as estimators and schedulers remain in demand, we have seen a slowing in recruitment activity for project specific roles such as site supervisors. Given that the lead time on residential developments is small compared to commercial and industrial projects, recruitment activity is more cyclical and a rise in demand is likely should interest rates stabilise or decrease in the short-term.

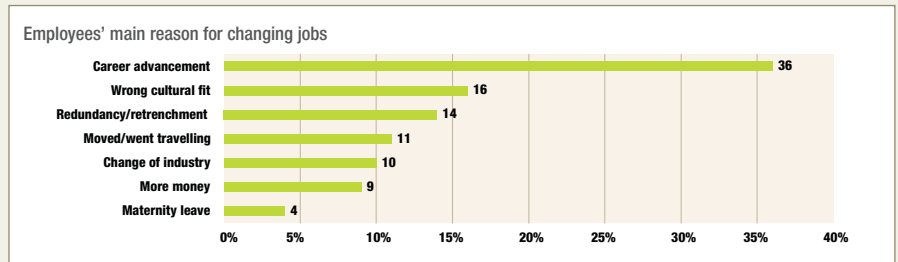
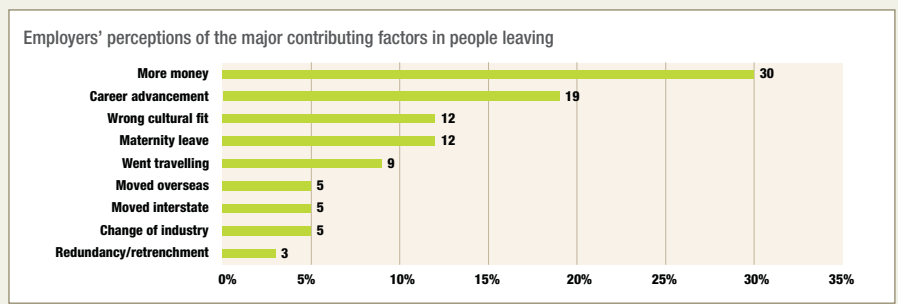


RECRUITMENT CHALLENGES

Although the overall mix of demand may change, we do not envisage any significant impact on employment opportunities for property and construction professionals in Western Australia and Queensland. Companies will need to think creatively about their attraction and retention strategies to remain competitive in a tight labour market.

Employers who focus on long-term talent retention strategies such as training and career development will be better placed to retain quality employees. Property and construction professionals want to work on new and exciting projects that allow them to be constantly learning and applying new skills. Our survey results support this with 36% of candidates citing career development as the main reason for their last job change. It is therefore critical for employers to understand and address the career goals and developmental needs of their staff in order to retain talent.

To address the professional skills shortage in Western Australia and Queensland and sustain current levels of business growth, employers need to consider sourcing candidates from interstate and overseas. The southern states of NSW and Victoria are an important source of talent for the growing number of commercial and infrastructure projects in Western Australia



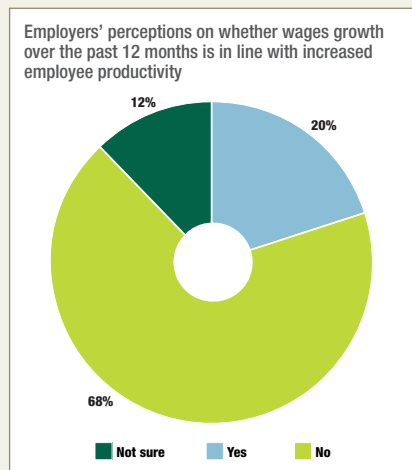
and Queensland. In terms of overseas candidates, we encourage employers to look beyond traditional markets such as the US and UK and consider the talent pools in South Africa, India and Brazil where the quality of talent in the mining and industrial sectors is particularly high.

With property and construction professionals highly sought after overseas, it is critical that employers promote Australia as an

attractive market for people to work in. Our survey results indicate that 46% of candidates have worked overseas and of those 95% would consider doing it again. Employers need to reinforce that the career opportunities in Australia are just as strong, particularly in Western Australia and Queensland where the mining and resources boom is driving employment growth.

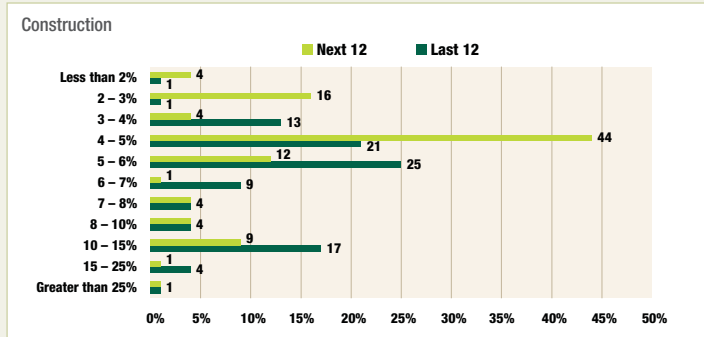
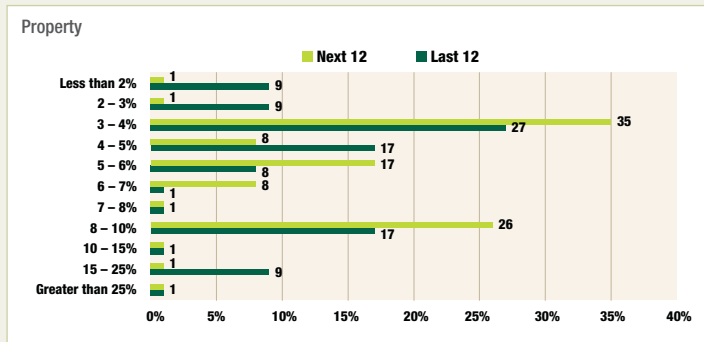
WAGES INFLATION

We expect salaries in the property and construction industry to continue to rise, albeit at a slower pace, over the next 12 months. Property and construction professionals working in the industrial sector can expect the highest salary rises in the coming year with increases of 10–15% likely. For professionals in the commercial sector, we predict salary increases of between 5–10%, with increases of 3–5% likely for candidates in the residential sector due to a slowing of demand in the short-term.



EMPLOYER SALARY PREDICTIONS

Percentage increase next 12 months VS last 12 months



SALARY TABLE

PROPERTY & CONSTRUCTION

State	WA	QLD
Salary	\$'000	\$'000
CIVIL & INFRASTRUCTURE		
Estimator	90-140	80-130
Graduate Engineer	60-85	55-75
Project Engineer	85-130	75-110
Project Manager	125-170	120-160
Contracts Administrator/Quantity Surveyor	70-140	65-130
Contracts Manager	130-160	120-160
Design Manager	100-130	100-130
Operations Manager/Construction Manager	170-240	140-220
COMMERCIAL BUILDING		
Estimator	80-130	80-120
Project Engineer	80-100	80-110
Site Manager	100-130	110-140
Project Manager	110-180	100-150
Contracts Administrator/Quantity Surveyor	90-130	80-140
Contracts Manager	110-150	110-160
Design Manager	90-130	80-130
Operations Manager/Construction Manager	150-220	150-220

Please note:

- Salaries indicated are inclusive of superannuation, but exclusive of bonus/incentive schemes.
- Remote site roles are typically subject to a site allowance ranging from 20-40% of base salary dependent upon location and site roster.

Salary

SALARY & EMPLOYMENT FORECAST

SYDNEY

t +612 8292 2000 **f** +612 8292 2001

PARRAMATTA

t +612 8836 0700 **f** +612 8836 0701

CHATSWOOD

t +612 8292 2500 **f** +612 8292 2501

MELBOURNE

t +613 9607 5600 **f** +613 9607 5666

WHEELERS HILL

t +613 8562 5400 **f** +613 8562 5499

BRISBANE

t +617 3414 6100 **f** +617 3414 6101

PERTH

t +618 9215 9500 **f** +618 9215 9599

e enquiry@michaelpage.com.au