



EMPLOYMENT MARKET OVERVIEW

The white-collar employment market is beginning to stabilise but this is not translating into new job creation. Our annual employment survey, which this year includes responses from over 400 senior managers from Australia's corporate sector, reveals 51% of respondents believe their headcount will not be reduced further over the next 12 months. This suggests employment levels are stabilising after the sharp cuts that occurred in sectors such as financial services during the second half of 2008.

While this is an encouraging sign it points to employment market stabilisation rather than recovery. For a recovery to occur new jobs must be created and only 16% of respondents believe this will happen over the year ahead. Business confidence levels are still too low for employers to invest in new job creation. Only 49% of respondents predict improved conditions by the end of 2009, with 27% forecasting no improvement and 24% still unsure.

The permanent recruitment market has been most heavily impacted by the fall in business confidence. Contracting has proved

more resilient, particularly in the professions where permanent employment has been hardest hit by the economic downturn. We are starting to see an increase in contract roles within financial services in Australia and more broadly across the UK and US markets. These are encouraging signs because in previous downturns the sectors that led us out of the downturn were the ones to lead us out.

Events over the last 12 months have temporarily obscured the skills shortage but employers still recognise the importance of staff retention. To avoid staff cuts many companies have pursued alternative strategies of payroll cost reduction. Our employment survey reveals 35% of companies have frozen salaries, 18% have implemented forced paid leave and 9% have reduced working hours.

The focus of staff retention strategies must change to reflect the economic downturn. In contrast to previous years in which financial incentives rated highly, employees are now looking for leadership and direction during uncertain times. Of our survey respondents, 51% rated leadership as the

most effective staff engagement strategy in the current environment, followed by transparent communication at 31%.

Our advice to employers is that staff retention is even more important during a downturn. Companies should not operate on the assumption that the skills lost will be readily available when they are required again. Commercial and business development capabilities, as well as sales and marketing functions, need to be established ahead of the next market upturn. Our experience of previous downturns shows the companies that continue to invest in these business critical functions gain market share in the first stage of the upturn.

Hiring activity will remain cautionary for the second half of 2009 and this will be reflected in reduced salary pressure. Permanent salaries are remaining constant but we anticipate any increases to be 1% - 3% with bonus components typically being reduced. Contracting rates are proving to be more resilient and will increase before permanent salaries when market conditions improve.

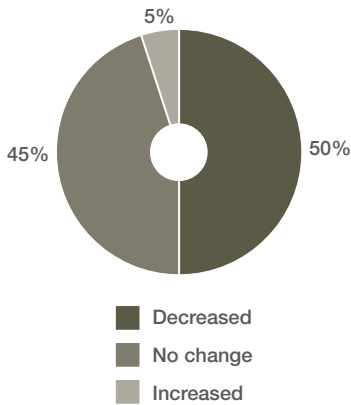
SECTOR TRENDS – ENGINEERING & MANUFACTURING

- Employment activity has reduced across all areas in comparison to last year with engineering consultancies and heavy industrial manufacturing hardest hit.
- Within manufacturing and operations, substantial impact has come from reduced investment in new projects and facilities, with only the consumer focused industries such as Fast Moving Consumable Goods (FMCG), Pharmaceutical, and Food & Beverages showing resilience.
- Job opportunities are still available for candidates with industry specific experience but at reduced volumes and with longer hiring timeframes. There is limited demand for candidates with experience in project management, electrical & mechanical engineering, lean engineering and Six Sigma.
- Salary levels are remaining constant with increases typically confined to candidates moving from one role to another. Employees are more cautious about changing roles in the current environment with job security the primary consideration.
- Bonuses are still part of packages for top level executives but not typically for junior and middle management.

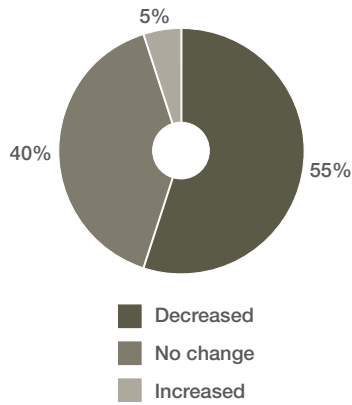


MARKET RESEARCH RESULTS

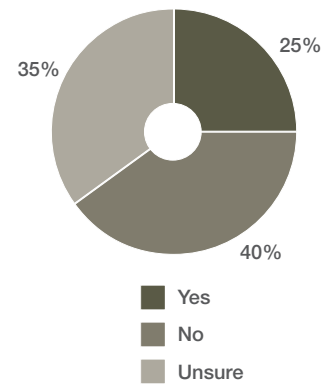
Over the last six months, how has your headcount been impacted by the global economic downturn?



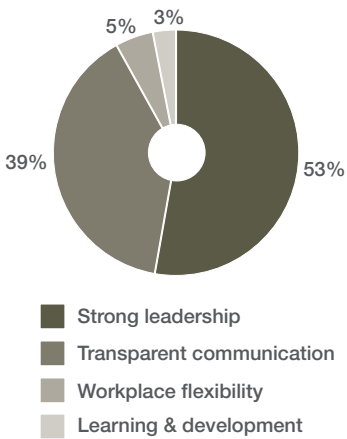
In the next 12 months, how do you see your headcount being impacted?



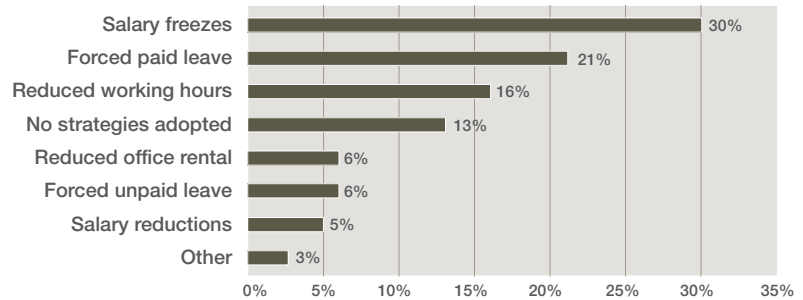
Do you anticipate business conditions will start to improve by the end of 2009?



What employee engagement strategies are proving most effective in the current environment?



What strategies has your organisation implemented to avoid job cuts?





SALARY TABLES INFRASTRUCTURE & UTILITIES

State	NSW	NSW	VIC	VIC	QLD	QLD	WA	WA
Size of Company	Sml/Med	Large	Sml/Med	Large	Sml/Med	Large	Sml/Med	Large
Salary	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
PROJECT MANAGEMENT & CONSTRUCTION								
Estimator	90-130	110-160	80-120	90-140	80-120	90-130	80-120	90-130
Field/Site Engineer	85-120	100-130	90-120	100-130	90-130	110-140	80-110	90-120
Construction Manager	125-180	160-210	120-170	150-200	140-210	200-240	100-140	120-160
Project Engineer	75-105	90-110	70-110	90-130	75-105	95-115	80-110	90-120
Senior Project Engineer	115-135	125-150	100-130	120-140	120-135	125-140	90-120	100-140
Project Controls Engineer	80-120	90-140	80-110	80-130	90-130	100-140	90-130	100-140
Project Controls Manager	125-160	160-180	120-150	150-180	140-170	170-200	120-140	130-180
Project Manager	120-160	140-200	120-160	150-200	110-180	150-210	120-140	130-180
Senior Project Manager	140-200	160-220	140-190	160-220	140-190	150-210	140-190	150-210
Project Director†	180-210	200-250	180-210	190-250	180-210	200-300	150-220	200-250
OPERATIONS & TECHNICAL								
Graduate Engineer	50-60	50-60	40-55	50-60	45-55	55-65	50-60	55-65
Process/Mechanical/Electrical/Civil	60-75	75-85	55-80	60-85	70-90	90-105	60-80	65-85
Senior Process/Mechanical/Electrical/Civil	80-100	85-110	75-95	80-105	90-110	95-125	90-120	100-130
Maintenance/Reliability Engineer	70-100	80-120	65-95	75-115	75-100	80-110	80-100	85-120
Draftsperson	50-70	60-85	50-70	60-85	50-70	60-85	50-70	60-85
Design Draftsperson	70-110	110-160	70-110	110-160	70-110	110-160	70-110	110-160
Asset Manager	80-120	120-140	70-110	110-160	70-110	110-160	130-170	130-180
Quality Engineer	80-90	90-100	55-70	60-90	70-95	80-100	70-100	80-110
Quality Manager	100-120	120-140	90-110	110-140	90-110	110-140	120-150	130-160
Maintenance Superintendent	100-125	125-150	95-120	120-140	100-130	140-160	100-130	110-140
Projects Superintendent	100-125	125-150	95-120	120-140	95-120	120-140	100-130	110-140
Maintenance Manager	120-180	130-190	115-150	130-180	120-170	150-180	130-170	130-180
Engineering Manager	130-160	140-180	120-160	150-180	130-160	160-200	130-160	150-180
Operations Manager	125-160	150-210	120-160	160-210	125-160	160-210	140-160	170-210
Operations Director†	150-210	220-330	140-200	200-300	160-210	210-295	170-210	180-250

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 \$250 million. Large companies are defined as having a turnover of more than \$250 million.

† Salaries at this level can vary widely depending on the individual's background and experience and the scope of the role. Please contact our Executive Search team for specific advice regarding salaries at the executive level.



PROFESSIONAL SERVICES

State	NSW	NSW	VIC	VIC	QLD	QLD	WA	WA
Size of Company	Sml/Med	Large	Sml/Med	Large	Sml/Med	Large	Sml/Med	Large
Salary	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
DESIGN & CONSULTING								
Graduate Engineer	50-60	50-60	45-55	50-60	45-55	50-60	55-65	60-70
Design Engineer	60-90	80-110	55-80	60-110	55-80	70-100	85-120	95-125
Risk Engineer	70-90	80-120	65-80	75-110	70-90	80-115	N/A	N/A
Risk Manager	90-110	100-140	80-110	105-150	80-110	100-140	N/A	N/A
Process Improvement	80-110	120-170	80-110	95-160	70-110	100-140	N/A	N/A
Senior Design Engineer	110-130	120-140	105-120	110-150	105-120	110-140	120-140	130-160
Lead/Principal Engineer	120-160	150-180	120-160	150-180	120-130	140-150	145-160	160-190
Chief Engineer	120-170	170-200	140-170	170-200	120-140	140-160	120-140	140-160
Engineering Manager	140-180	160-200	150-180	170-200	130-140	150-170	150-170	170-190
PROJECT MANAGEMENT & CONSTRUCTION								
Field/Site Engineer	85-115	105-130	85-115	105-130	90-130	110-140	100-140	120-150
Project Engineer	65-95	85-115	65-95	85-115	75-105	95-115	85-120	95-125
Senior Project Engineer	105-120	115-140	105-120	115-140	120-135	125-140	120-140	130-160
Project Controls Engineer/Estimator	90-130	120-140	90-130	100-140	80-120	90-130	90-120	100-140
Project Controls Manager	130-160	150-180	130-160	150-180	150-180	170-200	160-190	170-200
Planning Engineer	90-110	110-130	85-105	105-125	90-130	100-140	90-120	100-140
Construction Manager	160-200	180-230	160-200	180-230	170-210	200-240	180-210	220-260
Project Manager	160-190	190-230	150-190	180-220	180-220	150-210	180-230	220-280
Project Director†	180-210	230-280	180-210	220-280	160-200	280-350	N/A	280-350

MANUFACTURING

State	NSW	NSW	VIC	VIC	QLD	QLD
Size of Company	Sml/Med	Large	Sml/Med	Large	Sml/Med	Large
Salary	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ENGINEERING						
Graduate Engineer	50-60	55-65	40-50	40-60	40-50	40-55
Chemical/Mechanical/Electrical Engineer	70-100	75-120	50-90	65-110	50-80	70-105
Quality Engineer	55-90	65-100	60-80	70-100	55-80	75-95
Quality Manager	90-125	90-120	90-120	110-150	90-110	100-130
Lean Manufacturing Specialist	80-110	100-140	80-110	90-140	80-110	110-140
Project Engineer	70-100	80-120	60-80	70-100	70-90	80-110
Process Engineer	75-100	90-120	60-80	70-120	70-90	80-120
Packaging Engineer	75-110	80-120	75-95	80-120	80-100	90-120
Reliability Engineer	90-110	100-130	55-70	70-100	55-75	65-100
Engineering Manager	100-130	120-160	100-130	120-170	100-120	120-170
OPERATIONS						
Shift Supervisor	70-90	85-110	60-80	85-110	60-80	90-105
Production Engineer	75-100	90-110	65-85	80-110	65-80	80-110
Production Manager	100-125	110-140	80-120	100-140	75-95	110-140
Maintenance Manager	90-115	100-130	80-100	90-130	80-100	85-125
Reliability Manager	90-115	100-130	80-100	90-130	80-100	85-125
Plant Manager	90-110	130-170	90-125	120-160	90-125	120-170
Operations Manager	110-130	130-180	90-120	120-170	80-100	110-180
Operations Director†	N/A	175-250	N/A	170-240	N/A	150-220

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 \$250 million. Large companies are defined as having a turnover of more than \$250 million.
- Roles marked N/A are not commonly found in small to medium companies.

† Salaries at this level can vary widely depending on the individual's background and experience and the scope of the role. Please contact our Executive Search team for specific advice regarding salaries at the executive level.



CONTACT US

Adrian Oldham, Director
t +612 8292 2226
e adrianoldham@michaelpage.com.au

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

enquiry@michaelpage.com.au
www.michaelpage.com.au

PLEASE NOTE – The Michael Page Salary & Employment Forecast is a value added service that we offer to our clients and candidates. The data is collected and compiled taking reasonable care, but information contained within this data and our interpretation and commentary should not be taken as conclusive and is to be used as a guide only. This material should not be copied or reproduced in whole or in part except by express and written approval by Michael Page.