



HAYS Recruiting experts
in Construction

THE 2019 HAYS CONSTRUCTION & NZIOB SALARY GUIDE

SHARING OUR EXPERTISE

A guide to salaries and recruiting trends for
the New Zealand building industry.



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**Thank you**

We would like to express our gratitude to everyone who participated in the collection of data for this year's survey. Your contribution has ensured that we can produce an informative document to help support your business decisions.

Our gratitude is extended to the following for overseeing the preparation of this guide:

Malcolm Fleming, Chief Executive Officer, NZIOB
Adam Shapley, Managing Director, Hays New Zealand

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INTRODUCTION



This 2019 Hays Construction & NZIOB Salary Guide occurs at the end of a year in which the financial resilience of the construction sector has been under great scrutiny, with the prevailing low-margins and high-risk environment now well understood. These factors make it difficult for companies to increase their overheads, so it is therefore not surprising that this year's Guide reports a greater number of salaries either reducing or staying static, than instances of salaries increasing.

Against that backdrop, there are encouraging signals from government that it wishes to engage on a more positive footing with the construction sector going forward. The newly developed Construction Sector Accord, along with the work of Treasury's Infrastructure Transaction Unit and the pending update to the Government's Construction Procurement Guidelines, all suggest that the government - construction sector relationship is about to improve.

Whether favourable government announcements have influenced sector sentiment is unknown, though there was certainly a sense of positivity being expressed in the report, with those surveyed reporting that their business activity had increased markedly over the past year (up 12% over the 2018 response). There was also an increased positivity about the general economic outlook going forward into 2020.

Outside of the salary data, there was a marked shift towards greater work-life balance, with the number of people working less than 40 hours per week increasing, while there was also a decrease in the number of employees working more than 60 hours a week. Such a shift is laudable, perhaps reflecting that a sector's ability to continually push itself beyond its capacity and comfort is finite.

Malcolm Fleming

Chief Executive Officer, New Zealand Institute of Building

FOREWORD



New Zealand's acute skilled labour gap remains a major challenge facing the construction sector. Along with well-publicised margin pressures, securing and retaining sufficiently skilled and experienced professionals to deliver on projects is a key challenge facing employers today.

As this survey shows, employers have a positive outlook. After an exceptionally strong 12 months, 93% of construction firms saw business activity either increase or remain the same. Looking ahead, 77% expect the economy to either strengthen or remain the same.

In the context of New Zealand's unrelenting skills shortage, it is perhaps surprising then that confidence is not impacting wage growth, which remains subdued. This is a trend echoed in our own 2019-20 Hays Salary Guide, which found that in skill short areas 73% of employers would consider employing or sponsoring a qualified overseas candidate. In addition, firms are also attempting to overcome skill shortages by either continuing or increasing their use of contractors for both labour and management positions.

We were a little surprised that despite the continued focus on diversity in leadership across all of corporate New Zealand, our survey results indicate that this remains a difficult area to impact in the construction industry. Our results show that women fill just 19% of management roles (a figure consistent over the last three years).

Looking ahead, 54% of firms expect to increase permanent hiring levels. Sustained low unemployment combined with this intention to further add to permanent headcounts will underpin a continuing war for talent across the building industry.

Candidates are aware of this trend and may well look to increase their earnings. In fact, a pay rise was identified as the number one priority of many New Zealanders in a recent survey. With salary increases remaining restrained, employers will benefit from creative and targeted strategies to retain and develop sufficiently skilled employees.

Adam Shapley

Managing Director, Hays New Zealand

SALARY VS LOCATION: NORTH ISLAND

Position	Northland	Auckland	Waikato	Bay of Plenty	Taranaki	Wellington	East Coast
Cadet	50,000	55,000	50,000	50,000	50,000	55,000	50,000
Leading Hand	60,000	70,000	60,000	60,000	65,000	65,000	65,000
Foreperson	75,000	85,000	75,000	70,000	70,000	75,000	75,000
Site Manager	105,000	110,000	110,000	110,000	95,000	100,000	100,000
Project Manager	120,000	125,000	120,000	120,000	120,000	120,000	115,000
Snr Project Manager/Project Director	150,000	165,000	150,000	150,000	160,000	155,000	155,000
QS - Junior	65,000	70,000	65,000	65,000	70,000	65,000	70,000
QS - Intermediate	90,000	95,000	85,000	85,000	80,000	85,000	80,000
QS - Senior	130,000	155,000	140,000	140,000	125,000	150,000	135,000
Junior Estimator	65,000	65,000	65,000	65,000	60,000	65,000	60,000
Intermediate Estimator	100,000	110,000	90,000	90,000	85,000	90,000	95,000
Senior Estimator	135,000	150,000	125,000	130,000	120,000	150,000	130,000
Commercial Manager	150,000	170,000	155,000	155,000	150,000	160,000	160,000
General Manager	190,000	250,000	210,000	210,000	225,000	220,000	230,000
Project Engineer	105,000	120,000	110,000	110,000	105,000	115,000	110,000
Business Development Manager	115,000	150,000	135,000	130,000	130,000	135,000	140,000
Health & Safety Manager	110,000	120,000	115,000	110,000	110,000	115,000	105,000

* Salaries represent base salary only

SALARY VS LOCATION: SOUTH ISLAND

Position	Tasman	Christchurch	Southland	West Coast	Otago
Cadet	50,000	50,000	50,000	50,000	50,000
Leading Hand	60,000	65,000	60,000	60,000	65,000
Foreperson	75,000	80,000	70,000	70,000	85,000
Site Manager	100,000	110,000	90,000	100,000	120,000
Project Manager	125,000	120,000	115,000	120,000	140,000
Snr Project Manager/Project Director	180,000	150,000	150,000	170,000	160,000
QS - Junior	60,000	65,000	60,000	65,000	65,000
QS - Intermediate	90,000	85,000	85,000	95,000	85,000
QS - Senior	120,000	140,000	115,000	110,000	140,000
Junior Estimator	60,000	65,000	60,000	65,000	65,000
Intermediate Estimator	90,000	90,000	85,000	90,000	85,000
Senior Estimator	130,000	130,000	120,000	130,000	140,000
Commercial Manager	150,000	150,000	150,000	155,000	170,000
General Manager	250,000	195,000	225,000	225,000	215,000
Project Engineer	100,000	110,000	110,000	100,000	110,000
Business Development Manager	110,000	140,000	130,000	135,000	125,000
Health & Safety Manager	125,000	120,000	120,000	115,000	115,000

* Salaries represent base salary only

SALARY VS PROJECT SIZE

Position	Under \$5M	\$5M to \$15M	\$15M to \$50M	\$50M +
Cadet	50,000	55,000	55,000	55,000
Leading Hand	60,000	60,000	65,000	65,000
Foreperson	70,000	75,000	85,000	85,000
Site Manager	105,000	100,000	110,000	110,000
Project Manager	110,000	115,000	120,000	120,000
Snr Project Manager/Project Director	125,000	140,000	170,000	170,000
QS - Junior	55,000	55,000	60,000	60,000
QS - Intermediate	80,000	85,000	90,000	90,000
QS - Senior	140,000	135,000	150,000	150,000
Junior Estimator	55,000	55,000	60,000	60,000
Intermediate Estimator	80,000	85,000	90,000	90,000
Senior Estimator	140,000	135,000	150,000	150,000
Commercial Manager	150,000	145,000	170,000	180,000
General Manager	160,000	220,000	240,000	255,000
Project Engineer	115,000	115,000	125,000	120,000
Business Development Manager	115,000	120,000	140,000	150,000
Health & Safety Manager	95,000	110,000	120,000	120,000

* Salaries represent base salary only

SALARY VS CONSTRUCTION TYPE

Position	Civil Engineering	Commercial	Fitout & Refurbishment	Residential	Government/ Local Authority	Industrial
Cadet	50,000	50,000	50,000	45,000	50,000	50,000
Leading Hand	70,000	65,000	70,000	65,000	70,000	65,000
Foreperson	85,000	75,000	80,000	75,000	80,000	75,000
Site Manager	105,000	110,000	105,000	110,000	105,000	90,000
Project Manager	135,000	125,000	115,000	120,000	115,000	120,000
Snr Project Manager/ Project Director	160,000	160,000	170,000	150,000	155,000	150,000
QS - Junior	80,000	85,000	80,000	75,000	70,000	65,000
QS - Intermediate	100,000	105,000	105,000	100,000	100,000	85,000
QS - Senior	145,000	150,000	125,000	130,000	125,000	120,000
Junior Estimator	70,000	65,000	65,000	65,000	60,000	60,000
Intermediate Estimator	110,000	110,000	105,000	100,000	100,000	90,000
Senior Estimator	150,000	150,000	145,000	145,000	140,000	135,000
Commercial Manager	185,000	160,000	165,000	155,000	160,000	160,000
General Manager	210,000	200,000	220,000	195,000	210,000	210,000
Project Engineer	125,000	115,000	120,000	120,000	130,000	115,000
Business Development Manager	175,000	150,000	140,000	150,000	140,000	145,000
Health & Safety Manager	125,000	115,000	120,000	105,000	120,000	105,000

* Salaries represent base salary only

SALARY VS ANNUAL TURNOVER

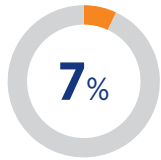
Position	\$1M to \$10M	\$10M to \$50M	\$50M +
Cadet	50,000	55,000	55,000
Leading Hand	60,000	65,000	65,000
Foreperson	75,000	80,000	85,000
Site Manager	110,000	110,000	110,000
Project Manager	115,000	120,000	130,000
Snr Project Manager/Project Director	150,000	160,000	165,000
QS - Junior	55,000	60,000	60,000
QS - Intermediate	85,000	90,000	95,000
QS - Senior	135,000	150,000	150,000
Junior Estimator	55,000	60,000	60,000
Intermediate Estimator	85,000	90,000	150,000
Senior Estimator	135,000	150,000	150,000
Commercial Manager	150,000	165,000	170,000
General Manager	170,000	230,000	250,000
Project Engineer	110,000	120,000	120,000
Business Development Manager	130,000	135,000	150,000
Health & Safety Manager	110,000	120,000	125,000

* Salaries represent base salary only

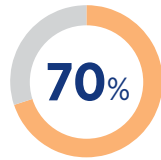


INDUSTRY TRENDS

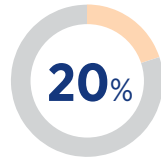
1. What is a typical working week within your organisation?



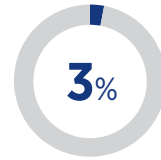
Less than 40 hours



40-49 hours

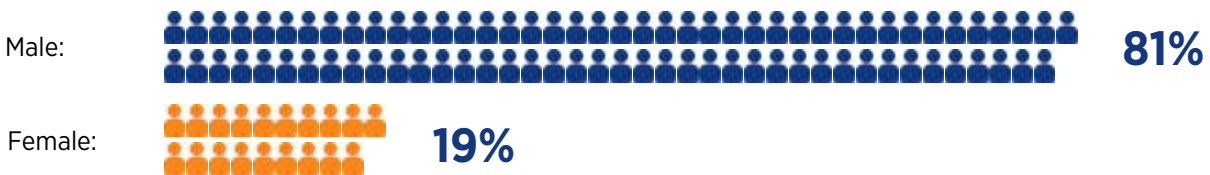


50-59 hours



60+ hours

2. What percentage of your management workforce is male and female?



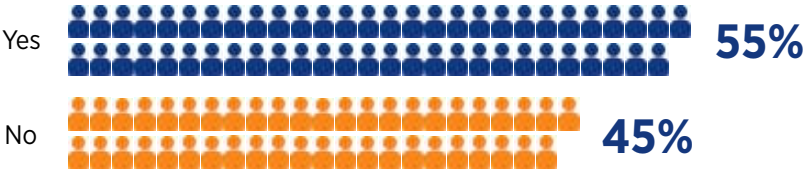
3. What mediums* do you use to recruit staff?



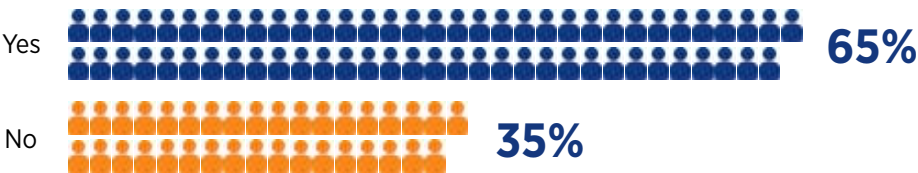
*Multiple choices allowed.

INDUSTRY TRENDS

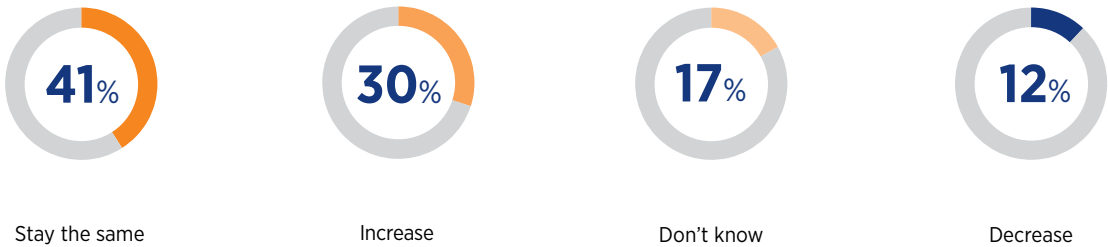
4. Did you use contract staff for management positions in 2018?



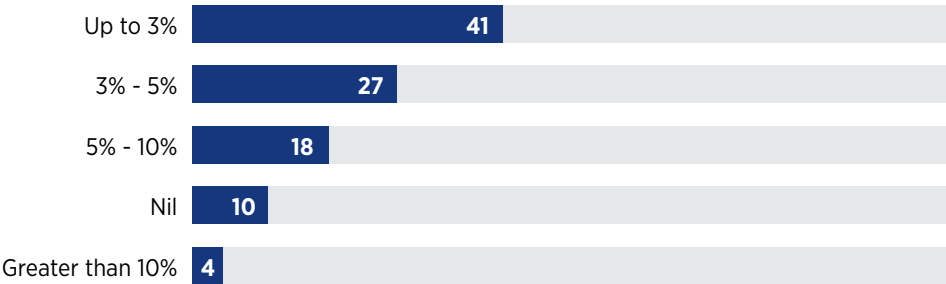
5. Did you use contract staff for labour positions in 2018?



6. How will this use of contract staff (both labour and management) continue for the next 12 months?

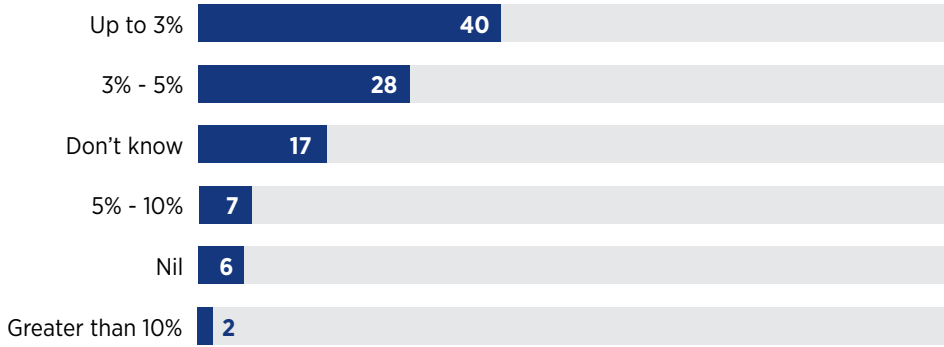


7. On average, in your last salary reviews, by what percentage did you increase salaries?



INDUSTRY TRENDS

8. When you next review salaries, by what percentage do you intend to increase salaries?



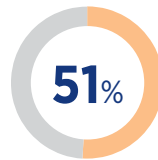
9. What is the average length of service of your employees?



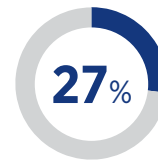
Less than one year



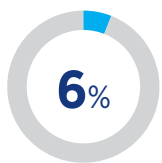
1-2 years



3-5 years



6-10 years



10+ years

10. Over the coming year do you expect permanent recruitment to:

54%

Increase

29%

Remain unchanged

6%

Decrease

11%

Don't know

INDUSTRY TRENDS

11. Over the past 12 months business activity has:

65%
Increased

7%
Decreased

28%
Remained the same

12. In the next 6-12* months the general economic outlook is expected to:

53%
Remain the same

23%
Weaken

24%
Strengthen

13. Benefits:

Percentage of respondents who received the following benefits:

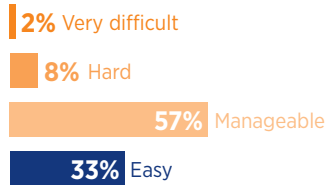
	Vehicle	Mobile phone	Health	KiwiSaver contributions over 3%	Bonus	Vehicle allowance	Share options
Cadet	12%	65%	39%	45%	31%	12%	4%
Leading Hand	31%	69%	44%	44%	28%	13%	5%
Foreperson	57%	86%	36%	43%	34%	11%	5%
Site Manager	83%	96%	40%	43%	55%	17%	8%
Project Manager	69%	97%	36%	39%	57%	22%	7%
Snr Project Manager/Project Director	82%	98%	49%	51%	63%	22%	20%
QS - Junior	9%	74%	40%	47%	37%	23%	5%
QS - Intermediate	25%	81%	42%	44%	52%	29%	6%
QS - Senior	48%	92%	48%	50%	67%	27%	10%
Junior Estimator	15%	70%	42%	36%	33%	18%	0%
Intermediate Estimator	27%	79%	45%	45%	36%	18%	3%
Senior Estimator	44%	95%	38%	44%	59%	31%	8%
Commercial Manager	75%	97%	57%	35%	70%	27%	20%
General Manager	80%	98%	54%	48%	63%	20%	26%
Project Engineer	63%	94%	37%	51%	51%	23%	9%
Business Development Manager	64%	97%	42%	44%	64%	19%	8%
Health & Safety Manager	67%	92%	50%	44%	50%	22%	6%

* Data collected during May/June 2019

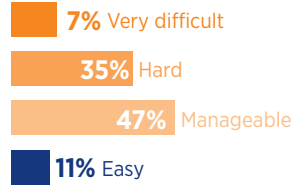
INDUSTRY TRENDS

14. Current ease of recruitment:

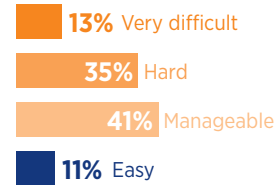
Cadet/Entry-Level



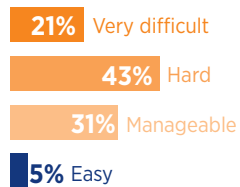
Leading Hand



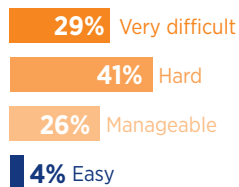
Foreperson



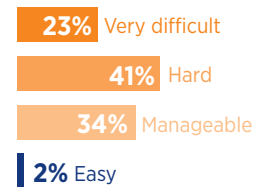
Site Manager



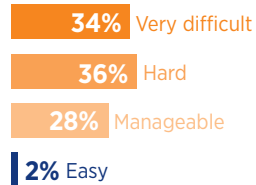
Construction Manager



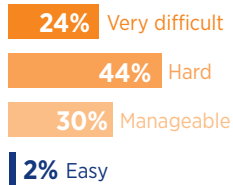
Quantity Surveyor



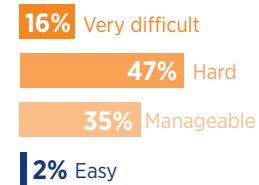
Estimator



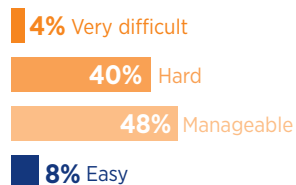
Project Manager



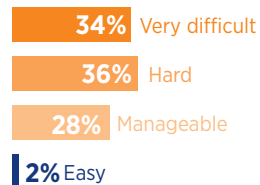
Project Engineer



Health & Safety Manager



Senior Management



* Data collected during May/June 2019

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