



HAYS Recruiting experts
in Construction

THE 2020 HAYS CONSTRUCTION & NZIOB SALARY GUIDE SHARING OUR EXPERTISE

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



 New Zealand
Institute of
Building

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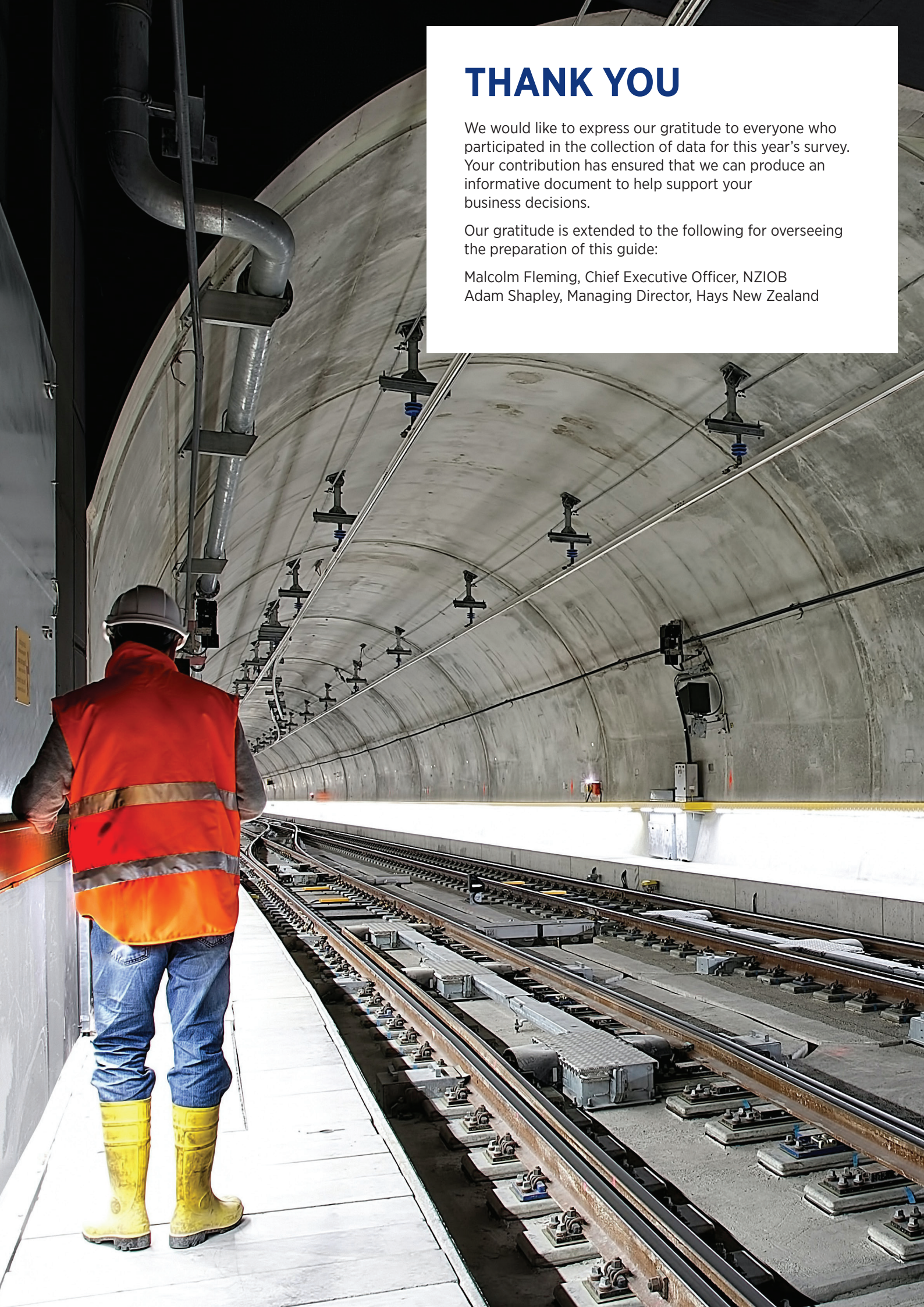
The NZIOB in conjunction with Hays Construction has produced the Salary Guide as a value added service to the building and construction industry. Whilst every care is taken in the collection and compilation of data, the survey is interpretive and indicative, not conclusive. Therefore information should be used as a guideline only and should not be reproduced in total or by section without written permission from Hays. Neither the NZIOB nor Hays Construction accept any responsibility for actions or outcomes that are deemed to be based on information contained in this publication.

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



INTRODUCTION



The data gathered in this year's Hays Construction & NZIOB Salary Guide provides a snapshot of the outlook for construction companies at a time when the industry, in the view of many, had appeared to have emerged from Covid-19 in better shape than the majority of New Zealand industries. However, only 53% of respondents in this year's survey agreed with that sentiment.

Given the timing of our survey – June 2020 – we took the opportunity to add a series of questions that explored the strategic decisions businesses were making in response to the pandemic. The findings are informative and will create a new baseline of data for future years.

In terms of trends that can be compared to our 2019 survey, the general salary theme is that the more senior roles have borne the brunt of salary reductions, while entry-level roles in many cases have either stayed stable or increased - in some instances significantly. This trend is particularly pronounced in the regions.

The forecast for salary growth for the year ahead is relatively bleak, with 37% of respondents reporting that there will be no salary increase over the coming year, compared to 6% in 2019. In light of the unprecedented changes that Covid-19 had brought to the industry and wider world of work, many would expect the sentiment to be more dire. Likewise, the year-on-year comparison showing that the number of respondents that will increase their permanent recruiting this year (vs. the outlook in 2019) has halved and fewer people say the economic outlook will strengthen in the year ahead (vs. the response to the same question in 2019), needs to be viewed in the context of what we've been through and continue to experience.

For me, it is the responses to questions that are new for 2020 that are particularly interesting. Companies are signalling that they value communication skills above all else from their people, with a high demand also for employees with demonstrable leadership skills.

At the top of an employee's checklist of desirable employer attributes is job security, meaning that those companies that can point to a good pipeline of work will find themselves being very competitively placed to attract good talent.

Our survey results also show that companies are increasing their investment in staff wellbeing (39% up) and that they are providing greater flexibility in working arrangements. Impressively, 88% of respondents said that their level of investment in construction technologies has either increased or not changed. This suggests that companies have the confidence to play the long game to recovery, which is encouraging.

As is the tradition for this annual report, the 2020 Hays Construction & NZIOB Salary Guide will prove a valuable tool for employers and employees alike. Without the expectation of wage growth, it will be those companies that can provide certainty of work, have good wellbeing policies in place and provide for the flexibility that the workforce now values that will do well.

Malcolm Fleming

Chief Executive Officer, New Zealand Institute of Building

FOREWORD



There's been a lot of commentary written about the Covid-19 pandemic and its impact on the jobs market. No doubt, there'll be a lot more to come. Most analysis has focused on job losses and speculated about how long it will be before the recovery occurs. While there's no way to predict exactly when this may happen, it is interesting that New Zealand's construction employers said in this year's survey (which was conducted in June 2020) that they still find it challenging to recruit certain skilled professionals for their projects.

New Zealand's construction industry has long suffered from an acute skilled labour shortage and it seems that even Covid-19 has been unable to ease the skills gaps that exist in many areas. In fact, as you'll read in the following pages, a staggering 82% of employers told us that skills shortages will have either a significant (25%) or minor (57%) impact on the effective operation of their business in the year ahead.

As for the skills in greatest demand, 69% of employers say it is 'very difficult' or 'hard' to recruit Senior Managers. This is followed closely by Project Managers and Construction Managers (both 66%), Estimators (56%), Quantity Surveyors (55%), Site Managers (52%) and Project Engineers (50%).

Interestingly, 28% of survey respondents said they expect to increase permanent headcount over the coming year, while 34% will increase their use of contract staff.

Clearly then, New Zealand's construction industry has experienced some good levels of stability and even opportunities for many employers over the past year. Given this, there are shoots of positive hiring intentions in the market, especially in the contract space for both management and labour positions.

This bodes well for the future of the industry and shows that even in the face of the type of adversity that was unimaginable this time last year, many employers can not only maintain but grow their workforce.

2020 marks the 16th edition of our annual Hays Construction & NZIOB Salary Guide for employers in New Zealand. We hope you find the insights in the following pages useful. As always, I welcome your feedback or suggestions on how we could make next year's edition even better.

Adam Shapley

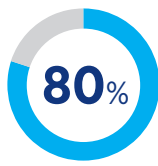
Managing Director, Hays New Zealand

INDUSTRY TRENDS

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



Less than 40 hours



40 - 49 hours



50 - 59 hours



60+ hours

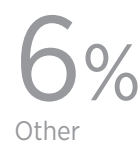
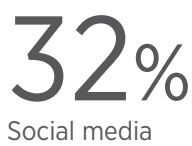
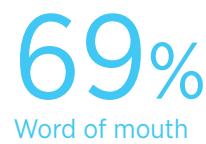
2. What percentage of your management workforce is male and female?



Female

Male

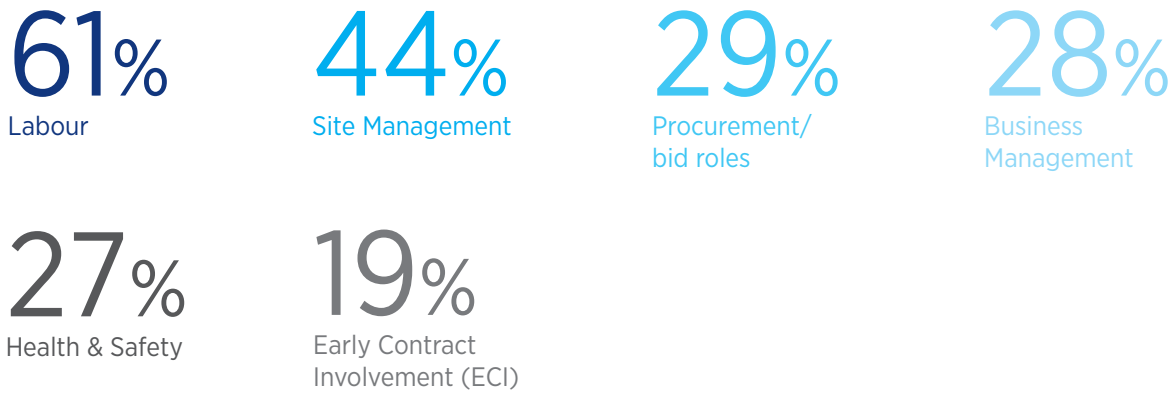
3. What mediums do you use to recruit staff?



*Multiple responses allowed

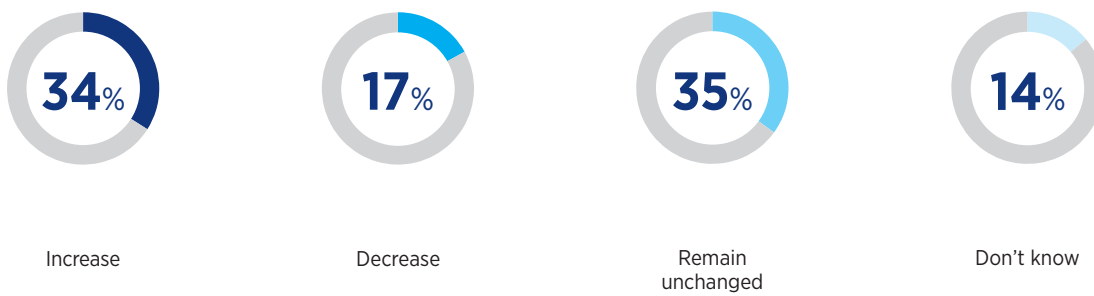
INDUSTRY TRENDS

4. What areas did you employ staff on a temp/contract basis over the past year?

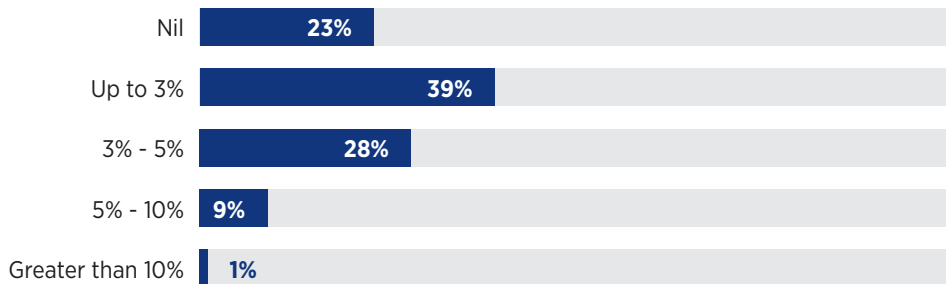


*Multiple responses allowed

5. How will the use of temp/contract staff continue for the next 12 months?

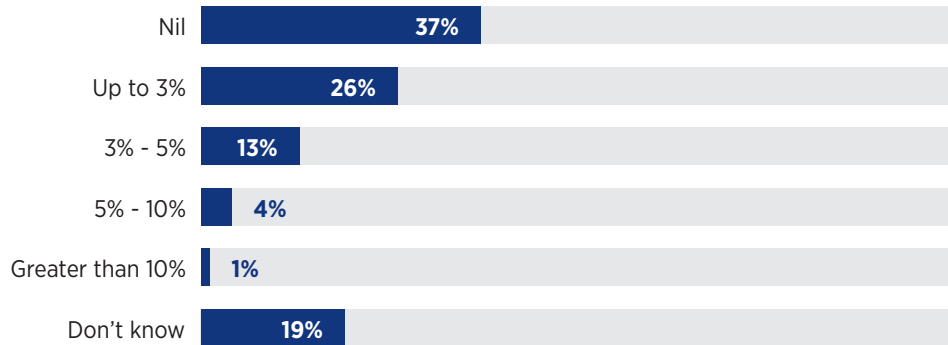


6. On average, in your last salary reviews, by what percentage did you increase salaries?

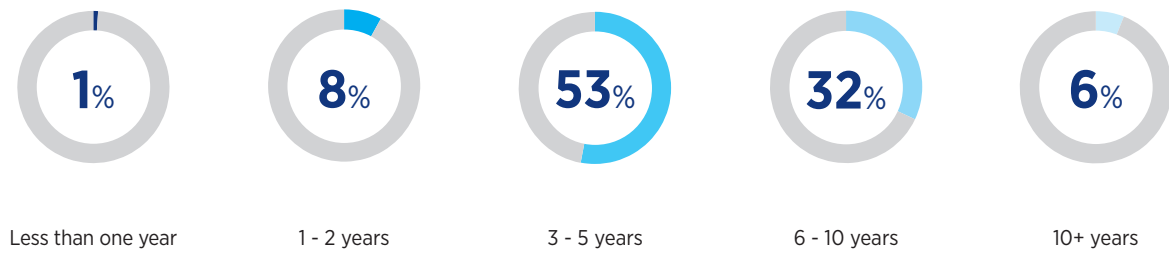


INDUSTRY TRENDS

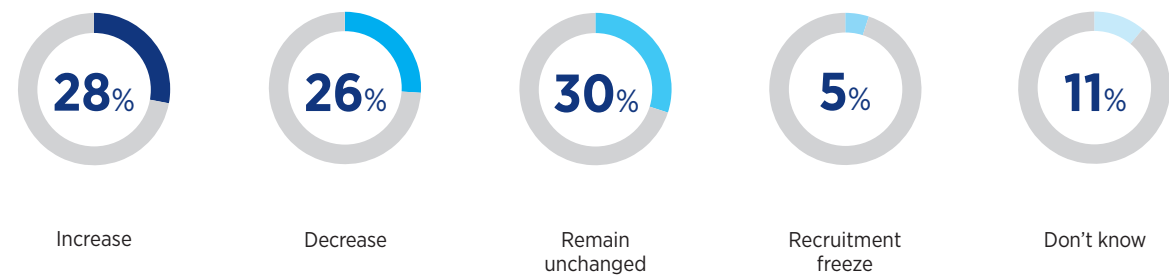
7. When you next review salaries, by what percentage do you intend to increase salaries?



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



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



INDUSTRY TRENDS

10. Over the past 12 months business activity has:

38%
Increased

36%
Decreased

26%
Remained the same

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

56%
Weaken

32%
Remain the same

12%
Strengthen

12. Benefits

Percentage of respondents who received the following benefits:

	Vehicle	Mobile phone	Health	KiwiSaver contributions over 3%	Bonus	Vehicle allowance	Share options
Cadet/Junior	6%	66%	49%	40%	40%	9%	8%
Leading Hand	18%	76%	41%	37%	31%	6%	8%
Foreperson	59%	88%	41%	41%	36%	9%	7%
Site Manager	86%	96%	42%	36%	40%	11%	6%
Project Manager	77%	96%	37%	40%	51%	20%	7%
Senior Project Manager/Director	74%	96%	41%	42%	53%	19%	8%
Junior Quantity Surveyor	11%	67%	50%	46%	43%	7%	9%
Intermediate Quantity Surveyor	21%	79%	44%	39%	51%	11%	10%
Senior Quantity Surveyor	46%	85%	50%	44%	56%	19%	10%
Junior Estimator	13%	64%	51%	44%	38%	15%	10%
Intermediate Estimator	23%	75%	53%	40%	40%	15%	10%
Senior Estimator	54%	86%	50%	38%	38%	12%	8%
Commercial Manager	76%	92%	51%	36%	44%	17%	14%
Site Engineer	53%	91%	51%	33%	40%	16%	9%
Project Engineer	58%	91%	53%	40%	44%	19%	9%
Health & Safety Manager	69%	93%	50%	33%	33%	13%	7%
General Manager	83%	94%	51%	45%	51%	17%	34%

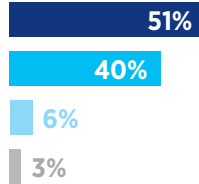
* Data collected during July 2020

INDUSTRY TRENDS

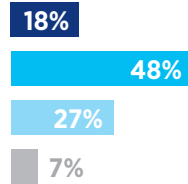
13. Current ease of recruitment

Easy
 Manageable
 Hard
 Very difficult

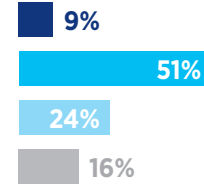
Cadet/Junior



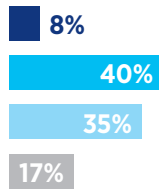
Leading Hand



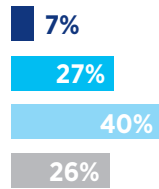
Foreperson



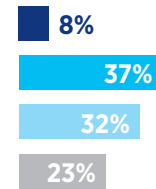
Site Manager



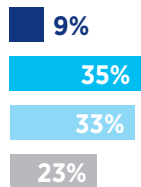
Construction Manager



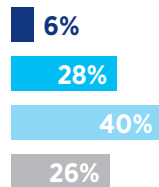
Quantity Surveyor



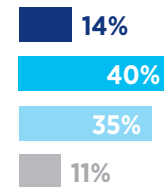
Estimator



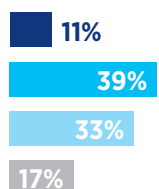
Project Manager



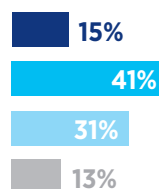
Site Engineer



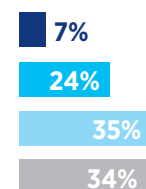
Project Engineer



Health & Safety Manager



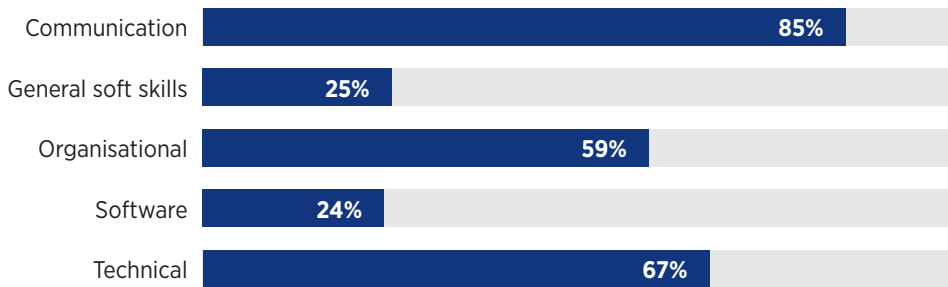
Senior Management



* Data collected during July 2020

INDUSTRY TRENDS

14. Which skills do you foresee having the highest impact on the effectiveness of your organisation?

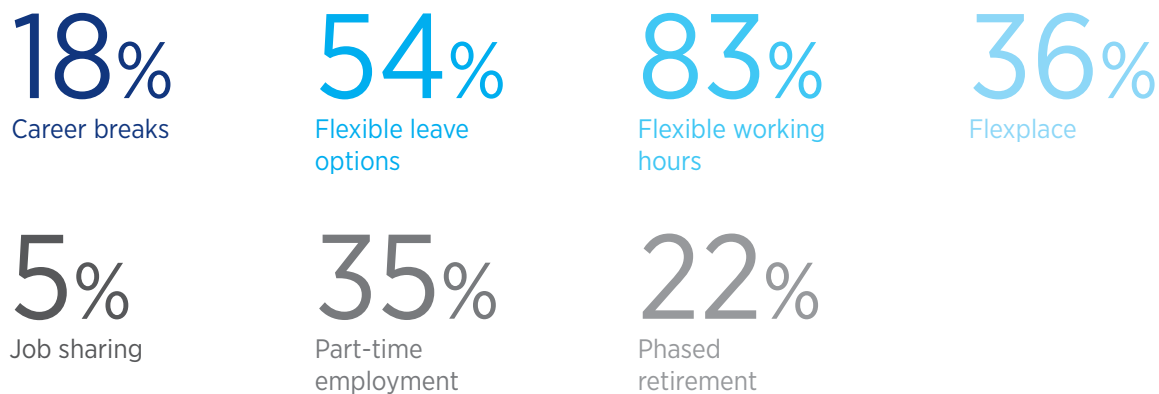


*Multiple responses allowed.

15. Are skills shortages likely to have an impact on the effective operation of your business or department?



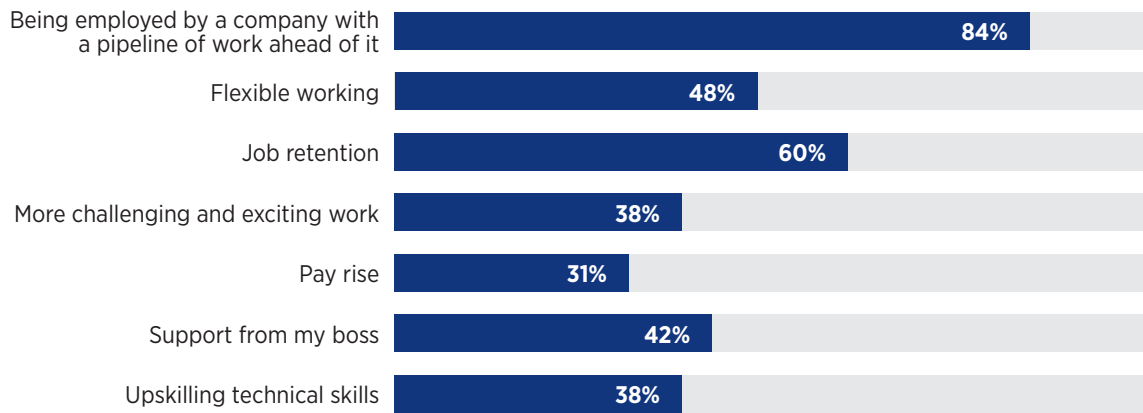
16. If your workplace offers flexible working practices, which of the following are on offer?



*Multiple responses allowed.

INDUSTRY TRENDS

17. Thinking of your career, what is important in the year ahead?



*Multiple responses allowed.



IMPACTS OF COVID-19

18. Has your headcount changed as a result of Covid-19?

5%
Increased

38%
Decreased

57%
No change

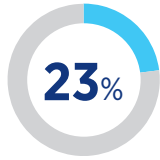
19. Will the impact of Covid-19 affect the composition of your workforce?



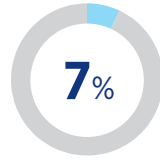
No change



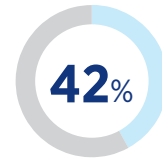
Increase of temps/
contractors



Reduction in temps/
contractors



Increase in permanent
staff



Reduction in
permanent staff

*Multiple responses allowed.

20. Has your organisation's marketing spend been affected by Covid-19?

12%
Increased

29%
Decreased

59%
No change

21. Has your organisation's investment in staff wellbeing policies and strategies been affected by Covid-19?

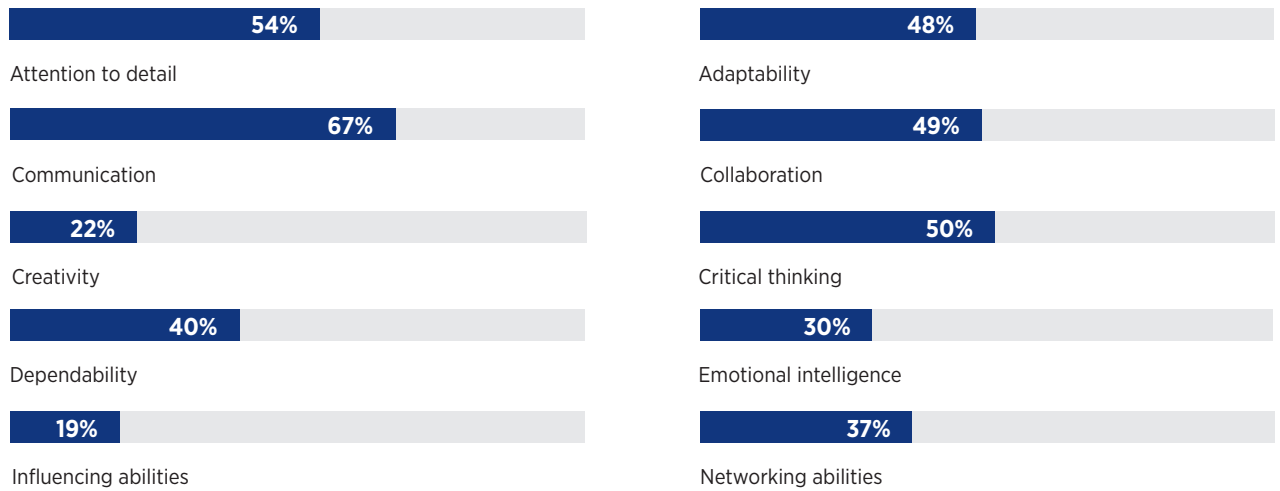
39%
Increased

12%
Decreased

49%
No change

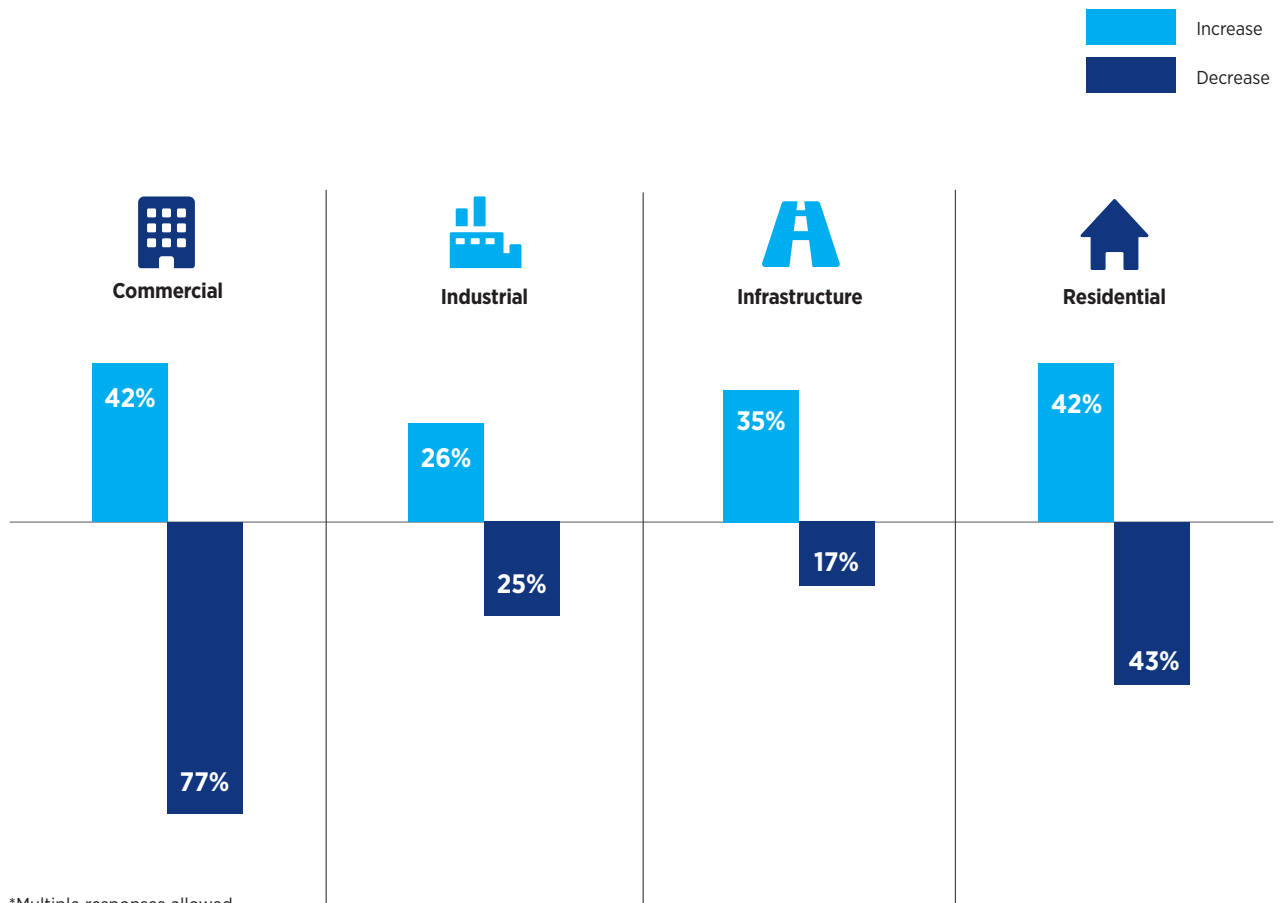
IMPACTS OF COVID-19

22. What soft skills are employers prioritising now?



*Multiple responses allowed.

23. Will the impact of Covid-19 increase or decrease your company's workload across the following areas over the next 12 month period?



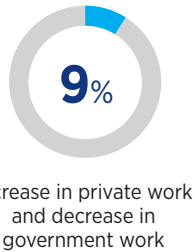
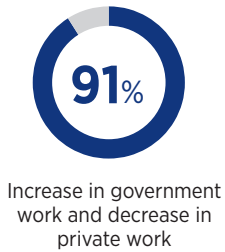
*Multiple responses allowed.

IMPACTS OF COVID-19

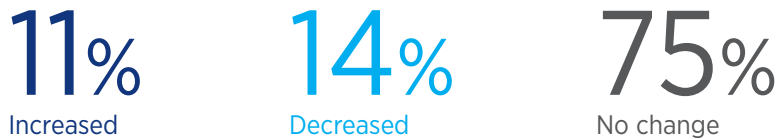
24. Will the impact of Covid-19 affect the composition of your company's private vs government work over the next 12 month period?



25. If yes, which description best applies?



26. Have your organisation's investment levels in construction technologies been affected since Covid-19?



IMPACTS OF COVID-19

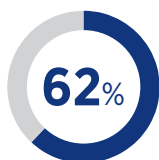
27. Will the impact of Covid-19 increase the need for specific skills within your organisation?



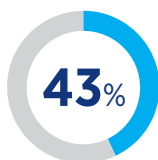
Yes

No, the skills required will not change

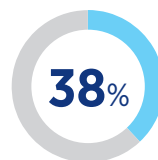
28. Top three areas of increased demand



Leadership



Relationship management



Strategy

*Multiple responses allowed.

29. How do you believe the New Zealand construction sector is positioned post Covid-19 compared to other sectors?

53%
Better positioned than most other sectors

29%
Same as other sectors

18%
Worse than other sectors

SALARY VS LOCATION: NORTH ISLAND

Position	Northland	Auckland	Waikato/ Bay of Plenty	Taranaki/ Manawatu	Wellington	East Coast/ Hawkes Bay
Cadet/Junior	50,000	50,000	55,000	50,000	50,000	55,000
Leading Hand	70,000	70,000	65,000	60,000	70,000	60,000
Foreperson	85,000	90,000	85,000	75,000	85,000	85,000
Site Manager	100,000	110,000	110,000	100,000	110,000	105,000
Project Manager	115,000	125,000	120,000	120,000	120,000	120,000
Senior Project Manager/Director	140,000	160,000	150,000	140,000	150,000	140,000
Junior Quantity Surveyor	65,000	70,000	70,000	65,000	70,000	65,000
Intermediate Quantity Surveyor	85,000	90,000	90,000	85,000	90,000	85,000
Senior Quantity Surveyor	120,000	145,000	125,000	125,000	140,000	125,000
Junior Estimator	65,000	70,000	70,000	65,000	70,000	65,000
Intermediate Estimator	90,000	95,000	95,000	85,000	95,000	85,000
Senior Estimator	120,000	145,000	125,000	125,000	140,000	125,000
Commercial Manager	150,000	170,000	160,000	150,000	160,000	150,000
Site Engineer	90,000	110,000	105,000	100,000	110,000	100,000
Project Engineer	115,000	120,000	125,000	115,000	120,000	115,000
Health & Safety Manager	110,000	115,000	120,000	115,000	120,000	115,000
General Manager	160,000	170,000	170,000	180,000	220,000	170,000

SALARY VS LOCATION: SOUTH ISLAND

Position	Tasman	Canterbury	Southland	West Coast	Otago
Cadet/Junior	50,000	50,000	50,000	50,000	50,000
Leading Hand	75,000	75,000	75,000	65,000	85,000
Foreperson	80,000	80,000	80,000	75,000	90,000
Site Manager	110,000	110,000	110,000	90,000	120,000
Project Manager	120,000	120,000	120,000	110,000	130,000
Senior Project Manager/Director	140,000	140,000	140,000	120,000	150,000
Junior Quantity Surveyor	65,000	65,000	65,000	60,000	70,000
Intermediate Quantity Surveyor	90,000	90,000	90,000	80,000	100,000
Senior Quantity Surveyor	120,000	130,000	120,000	100,000	140,000
Junior Estimator	65,000	65,000	65,000	60,000	70,000
Intermediate Estimator	90,000	90,000	90,000	80,000	100,000
Senior Estimator	120,000	130,000	120,000	100,000	140,000
Commercial Manager	150,000	150,000	150,000	120,000	160,000
Site Engineer	95,000	95,000	95,000	85,000	100,000
Project Engineer	120,000	120,000	120,000	95,000	120,000
Health & Safety Manager	110,000	110,000	110,000	90,000	120,000
General Manager	165,000	165,000	165,000	140,000	180,000

* Salaries represent base salary only

SALARY VS PROJECT SIZE

Position	Under \$5M	\$5M to \$15M	\$15M to \$50M	\$50M to \$100M
Cadet/Junior	45,000	50,000	55,000	55,000
Leading Hand	60,000	70,000	70,000	70,000
Foreperson	75,000	80,000	85,000	90,000
Site Manager	105,000	110,000	115,000	115,000
Project Manager	120,000	125,000	125,000	125,000
Senior Project Manager/Director	125,000	145,000	160,000	170,000
Junior Quantity Surveyor	60,000	65,000	70,000	70,000
Intermediate Quantity Surveyor	80,000	85,000	85,000	90,000
Senior Quantity Surveyor	125,000	140,000	140,000	140,000
Junior Estimator	55,000	70,000	70,000	70,000
Intermediate Estimator	90,000	105,000	110,000	110,000
Senior Estimator	135,000	130,000	160,000	160,000
Commercial Manager	150,000	155,000	170,000	180,000
Site Engineer	85,000	105,000	110,000	110,000
Project Engineer	115,000	115,000	120,000	130,000
Health & Safety Manager	115,000	110,000	120,000	125,000
General Manager	160,000	180,000	180,000	250,000

SALARY VS CONSTRUCTION TYPE

Position	Commercial	Residential	Government/ Local Authority	Industrial	Infrastructure
Cadet/Junior	50,000	45,000	50,000	50,000	45,000
Leading Hand	65,000	60,000	60,000	60,000	65,000
Foreperson	85,000	75,000	80,000	80,000	80,000
Site Manager	115,000	100,000	100,000	105,000	110,000
Project Manager	120,000	115,000	120,000	120,000	115,000
Senior Project Manager/Director	150,000	140,000	155,000	145,000	140,000
Junior Quantity Surveyor	70,000	65,000	65,000	65,000	65,000
Intermediate Quantity Surveyor	75,000	85,000	85,000	80,000	85,000
Senior Quantity Surveyor	135,000	120,000	120,000	120,000	120,000
Junior Estimator	65,000	65,000	65,000	65,000	65,000
Intermediate Estimator	95,000	85,000	90,000	90,000	95,000
Senior Estimator	135,000	120,000	130,000	125,000	125,000
Commercial Manager	100,000	145,000	155,000	145,000	145,000
Site Engineer	105,000	95,000	105,000	105,000	100,000
Project Engineer	120,000	115,000	120,000	120,000	110,000
Health & Safety Manager	120,000	100,000	120,000	110,000	100,000
General Manager	220,000	180,000	220,000	170,000	170,000

* Salaries represent base salary only

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