

The background features a light blue textured surface with a vertical dark blue stripe on the right. Scattered across the background are several stars: two red stars at the top, two white stars in the middle, and one white star on the right. There are also two birds: a large red bird in flight on the left and a smaller black outline bird below it.

# Crackerjacks Professional Contracting Rate Guide

The logo consists of a red bird silhouette in flight, positioned above the word "crackerjacks" in a white, lowercase, sans-serif font.

**crackerjacks**

Bringing professional contractors  
and businesses together

[www.crackerjacks.co.nz](http://www.crackerjacks.co.nz)



## Professional Contractor Rate Guide

Welcome to Crackerjacks update on professional contractor rate expectations. This provides a snap-shot of what professionals are currently expecting to be paid and how this has changed over the past six months in New Zealand.

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The turbulent world economy has definitely made its mark on New Zealand's employment market. Over the past year employers and professionals alike have been faced with the harsh reality of staff retrenchment and restrictive budgets. As a result many professionals have had to re-evaluate their employment options and remuneration expectations.

To track rate expectation changes in the professional contracting industry, this reports looks at what professionals in NZ expect to be paid now as opposed to 6 months ago. Please note that all figures quoted in this report are at a direct engagement rate without third party fees included. This survey has a sample size of 3,661 records, and the data was retrieved September 2009.

Given that we have been in a recession for the past year and that optimism is only just starting to trickle back into the economy, it is timely to measure professional contractor's rate expectations. The first rate survey ran in March 2009, was at a time when the NZ business community was really starting to suffer from depressed trading conditions. But times appear to be slowly changing.

This is reflected through the findings in this report – but is limited to certain professions and industries. Out of the 21 professions surveyed, 10 reported an increase in contractor's rate expectations, 9 reported a decline and 1 remained the same since March 2009. Scientific professionals had one of the largest increases in their rate expectations; this grew by \$9 over a 6 month period to an average of \$54 p/h in September.

Human Resources/Training professionals also increased their rate expectations by \$8 to an average of \$61 p/h. Interestingly so, professionals in the Retail industry also increased their rate expectations by \$8 to an average of \$43 p/h. Looking at the wider market, these statistics are indicative of growth in these industries over the past 6 months.

The industry that saw the largest drop in rate expectations was Hospitality; this had a massive decrease of \$20 p/h to an average rate expectation of \$31 p/h. Banking & Finance professionals also reduced their hourly rate expectations \$9 and now expect an average of \$53 p/h.

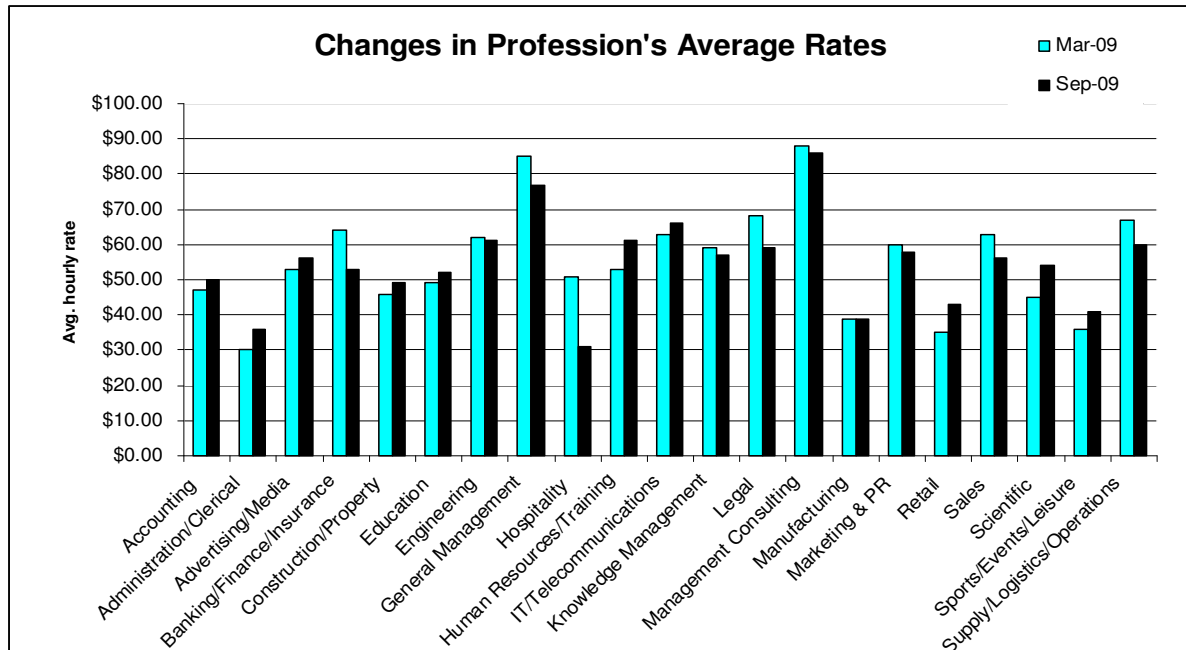
Thanks to the abundance of talented professionals registered with Crackerjacks, we have been able to draw some interesting findings about market rates across a selection of professions. The agile nature of contracting means that rates can change rapidly because of influencing factors in the market. This is why Crackerjacks produces this 6 monthly rate update - so you have a practical resource on hand when considering hiring professional contractors.

If you have not already registered your business on Crackerjacks, I encourage you to join. Having direct access to a database of pre-qualified contractors puts you a step ahead when a need arises for an instant performer in your business.

Tony Wai  
Managing Director – Crackerjacks Ltd.

## Changes in rates

The following graph and table shows changes in contractor's rate expectations over the past 6 months.



Profession	Expected average rate (p/h) March 2009	Expected average rate (p/h) Sept. 2009	% Increase/Decrease	Count of records
Accounting	\$ 47.00	\$50.00	6.4%	498
Administration/Clerical	\$ 30.00	\$36.00	20.0%	309
Advertising/Media	\$ 53.00	\$56.00	5.7%	115
Banking/Finance/Insurance	\$ 64.00	\$53.00	-14.1%	68
Construction/Property	\$ 46.00	\$49.00	6.5%	52
Education	\$ 49.00	\$52.00	6.1%	65
Engineering	\$ 62.00	\$61.00	-1.6%	70
General Management	\$ 85.00	\$77.00	-9.4%	198
Hospitality	\$ 51.00	\$31.00	-39.2%	45
Human Resources/Training	\$ 53.00	\$61.00	15.1%	191
IT/Telecommunications	\$ 63.00	\$66.00	4.8%	1,053
Knowledge Management	\$ 59.00	\$57.00	-3.4%	59
Legal	\$ 68.00	\$59.00	-16.2%	11
Management Consulting	\$ 88.00	\$86.00	-2.3%	222
Manufacturing	\$ 39.00	\$39.00	0%	38
Marketing & PR	\$ 60.00	\$58.00	-3.3%	239
Retail	\$ 35.00	\$43.00	20.0%	49
Sales	\$ 63.00	\$56.00	-11.1%	241
Scientific	\$ 45.00	\$54.00	20.0%	25
Sports/Events/Leisure	\$ 36.00	\$41.00	11.1%	19
Supply/Logistics/Operations	\$ 67.00	\$60.00	-10.4%	94

## Particular profession's average rates

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Looking at the most 'expensive' contracting professions, Management Consultants command the highest hourly rates on average (\$86 p/h), followed by General Managers (\$77 p/h) and IT professionals (\$66 p/h). The lowest rates are found in the Hospitality (\$31 p/h), Administration (\$36 p/h) and Manufacturing (\$39 p/h) professions.

When drilling down to look at specific roles in detail (see Appendix A p.6), the only roles that had an average hourly rate above \$100 p/h were; GM/CEO's (responsible for revenues \$51-100m and \$101m plus) - \$108 p/h and \$111 p/h

respectively, General Managers in Retail - \$107 p/h, Management Consultants specialising in Information Immigration - \$102 p/h, and Financial Investment Services contractors - \$101 p/h.

On the flip-side the lowest rate expectations were found amongst; Retail Sales Assistants (\$20 p/h), Retail Store Managers (\$22 p/h) and Chefs (\$22 p/h).

To see more detail on current rate expectations across a range of roles see Appendix A, starting on page 6.

## Professional contractor's opinions on the market

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### **CJ1848**

#### **IT Project Manager**

**Expected rates: \$50 - \$80 p/h**

"Rates have come down across the IT industry over the past year. It is an employers market; there are not enough contracts for all of the IT professionals seeking work. Businesses are also looking to pay less while still expecting a high level of skill when hiring.

I am hoping that things will pick up in the New Year. It appears businesses are holding off to kick-off projects until 2010. Naturally, when this occurs there will be a larger supply of contracts available in the IT industry.

Particularly focusing on the Banking Industry, a number of IT projects are being shifted off-shore to Australia. I have concerns that these projects may not return when things start to pick up again in New Zealand."

### **CJ2903**

#### **Chartered Accountant**

**Expected rates: \$42 - \$55 p/h**

"Finding part-time accounting work at Chartered Accountant level is difficult in any market, but it has been particularly hard over the past year. I was able to find a part-time Company Accountant contract recently, but to secure this I had to take a rate cut, which meant my hourly rate was considerably less than what I had obtained in other full-time roles. Personally this situation works well for me; with a young child I do not want to work full-time hours and contracting provides me with the flexibility I need.

Looking at the wider accounting industry I am hopeful things will start to pick up again as confidence restores in the economy. It looks like things are starting to pick up again and hopefully this will continue and grow in the New Year."

## Professional contractor's opinions on the market (Cont.)

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### **CJ1912**

#### **IT Infrastructure/Desktop Support Consultant**

**Expected rates: \$45 - \$55 p/h**

"I personally entered the contracting market because of a redundancy; as a result I have a view on both the contracting and permanent employment markets. In my opinion - over the past two years there has been a 25% (approx.) cut in remuneration across the board for permanent and contract jobs. It is my expectation that things will start to strengthen over the next 6 months and we are already starting to see glimmers of this happening.

The permanent market has not turned yet - salaried jobs are still difficult to source and the remuneration offered for these roles is not what it should be because it has not kept up with inflation. The contracting market is more responsive to change and is starting to strengthen.

Looking at the IT industry in Auckland, I believe there will be surges of opportunities for individuals who possess specific skill-sets, but for professionals who are more 'generalised' they will still find it difficult to find work. Clients can afford to be specific about the person they hire, so naturally they will gravitate towards professionals with niche skills."

### **CJ1729**

#### **Senior Creative Designer**

**Expected rates: \$85 - \$120 p/h**

"Rates in New Zealand's Creative industry have widely fluctuated over the past two years. From May 2008 rates dropped dramatically and there was also a major drop off in available work, but the volume of projects and rates on offer started to increase again around June this year.

Personally, two years ago I was charging out around \$95 - \$105 per hour, but to source work I had to drop these rates to \$60 - \$75 per hour at the start of 2009. Obviously this is not a good situation for a contractor because you are still expected to produce quality work, but for a much lower rate. It is difficult to make a profit when you are cutting your margins so drastically.

Many companies do not understand the importance of using a quality Creative Designer. You get what you pay for, so if you are looking at paying bottom dollar you will often end up with a poor result. This can end up being an expensive mistake, especially if it is a large project.

It is a difficult time for Graduates starting out. I have seen many junior Designers enter the industry who have had to charge minimum rates - i.e. \$18 per hour to even be considered for work.

I have also seen some people advertising for 'work experience' (just a way of getting someone to work for free really, and also 'free pitching'). Both of these examples, along with people under quoting, skews the market expectation and causes the deflation in fees.

But things have started to come back now from what I have seen and I'm once again charging around what I was two years ago and in some instances more (between \$85 - \$120 per hour)."

## Summary

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There has been a rise of optimism in the professional contractor sector with a number of professions reporting increased rate expectations since March this year. This indicates an increase in activity across the market to warrant remuneration increases, or that employers have a bit more cash in hand and can start paying professionals what they were 12 - 18 months ago.

However, this optimism is shadowed by a number of professions, such as the Hospitality and Banking/Finance that are still experiencing decreases in rates. The light at the end of the tunnel for these professions is still not in sight for most. To obtain work in these sectors contractors are still having to cut rates.

To provide you with the current 'market-rate' for particular role positions – see the series of tables in Appendix A. This is designed to be a practical guide to reference when hiring or contemplating using contractors in your organisation. Have a look through – as you may be surprised what market rates are currently tracking at. Appendix B segments rate expectations by experience level in the various professions – see page 15.

## Appendix A:

### Role Positions average rates: September 2009

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Below are a series of tables that provide hourly rate expectations for certain role positions. Please note, not all role positions are included - only the key ones where there was a large enough sample.

<b>Advertising/Media</b>	<b>Average hourly rate</b>
Account Manager/Management -	\$57.00
Advertising/Promotions -	\$74.00
Client Services -	\$32.00
Creative Direction -	\$36.00
Editor/Journalist/Writer -	\$51.00
Event/Campaign Management -	\$59.00
Graphic Designer –	\$53.00
Producer -	\$64.00
Technical -	\$36.00
Media Direction -	\$68.00

<b>Accounting</b>	<b>Average hourly rate</b>
Assistant/Support -	\$36.00
Auditor -	\$46.00
Chartered Accountant -	\$65.00
Chief Financial Officer/General Manager Finance -	\$61.00
Company Accountant -	\$49.00
Corporate Treasurer -	\$75.00
Financial Accountant -	\$49.00
Financial Analyst -	\$48.00
Financial Controller/Finance Manager -	\$61.00
Group Accountant -	\$52.00
Management Accountant -	\$53.00
Taxation Accountant -	\$55.00
Treasury Accountant -	\$40.00

## Role Positions average rates: September 2009 (Cont.)

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<b>Administration</b>	<b>Average hourly rate</b>
Business Administration -	\$39.00
Clerical/Office Support/Assistant -	\$30.00
Credit Control -	\$32.00
Office Management -	\$44.00
Practice Management -	\$37.00
PA/Executive Assistant -	\$34.00

<b>Banking/Finance/Insurance</b>	<b>Average hourly rate</b>
Analyst -	\$57.00
Credit Management -	\$70.00
Financial Investment Services -	\$101.00
Insurance Broker -	\$49.00
Insurance Risk Manager -	\$42.00

<b>Construction/Property</b>	<b>Average hourly rate</b>
Draftsman -	\$50.00
Construction Management -	\$36.00
Environmental Planner	\$36.00
Estimator -	\$52.00
Interior Designer -	\$55.00
OHS -	\$42.00
Site Management -	\$50.00

## Role Positions average rates: September 2009 (Cont.)

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<b>Engineering</b>	<b>Average hourly rate</b>
Aeronautical -	\$54.00
Chemical -	\$65.00
Civil/Structural -	\$68.00
Design -	\$72.00
Electrical -	\$50.00
Draughting Design -	\$53.00
Plant Engineer -	\$53.00
Project Management -	\$74.00
Process Engineer -	\$59.00
Electronic -	\$65.00
Environmental -	\$60.00
Systems/Software Engineer -	\$58.00

<b>Education</b>	<b>Average hourly rate</b>
Career Counsellor -	\$65.00
Tutor -	\$50.00
Vocational Educator -	\$64.00
Tertiary Lecturer -	\$57.00

## Role Positions average rates: September 2009 (Cont.)

<b>Information</b>	<b>Average hourly rate</b>
<b>Technology/Telecommunications</b>	
Database Development & Administration -	\$55.00
Analyst/Programmer -	\$55.00
Business Analyst -	\$69.00
Hardware Engineer -	\$51.00
Helpdesk Support -	\$39.00
ICT Systems Test Engineer -	\$64.00
IT Consultant -	\$87.00
Network Administration -	\$82.00
Network Engineer -	\$61.00
Systems Administration -	\$61.00
Team Leader -	\$69.00
Manager/General Manager Technology -	\$89.00
Technical Consultant -	\$80.00
Service Delivery -	\$69.00
Software Developer -	\$66.00
Software Engineer -	\$59.00
Telecoms Technician -	\$49.00
Website Development -	\$42.00

<b>Hospitality</b>	<b>Average hourly rate</b>
Bar Manager -	\$24.00
Concierge -	\$29.00
Conference & Event Organiser -	\$37.00
Chef -	\$22.00
Food & Beverage Management -	\$38.00
Hospitality Support/Assistant -	\$23.00
Hotel Management -	\$38.00

## Role Positions average rates: September 2009 (Cont.)

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<b>Human Resources/Training</b>	<b>Average hourly rate</b>
e-Learning Advisor -	\$66.00
Change Management -	\$70.00
General Manager Human Resources -	\$67.00
HR Support/Assistant -	\$32.00
Human Resources Advisor -	\$60.00
Occupational Health & Safety -	\$54.00
Organisational Development -	\$72.00
Recruitment Specialist -	\$44.00
Training & Development -	\$68.00

<b>Knowledge Management</b>	<b>Average hourly rate</b>
Corporate Services -	\$52.00
Economist -	\$68.00
Project Management -	\$66.00
Policy / Planning -	\$58.00

## Role Positions average rates: September 2009 (Cont.)

<b>Marketing &amp; PR</b>	<b>Average hourly rate</b>
Communications Manager -	\$69.00
Direct Marketer -	\$43.00
Management -	\$59.00
Event Manager -	\$43.00
General Manager Marketing -	\$99.00
Market Research -	\$53.00
Marketing Assistant/Support -	\$34.00
Product Management -	\$63.00
Project Management -	\$58.00
PR -	\$43.00
Marketing Management -	\$76.00
Telemarketing -	\$24.00

<b>General Management</b>	<b>Average hourly rate</b>
Divisional Manager -	\$66.00
Executive Director -	\$77.00
GM/MD/CEO (responsible co revenues \$0-20m) -	\$84.00
GM/MD/CEO (responsible co revenues \$21-50m) -	\$90.00
GM/MD/CEO (responsible co revenues \$51-100m) -	\$108.00
GM/MD/CEO (responsible co revenues \$101m plus) -	\$111.00

<b>Legal</b>	<b>Average hourly rate</b>
Legal Executive/Support -	\$46.00
Solicitor -	\$74.00

## Role Positions average rates: September 2009 (Cont.)

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<b>Management Consulting</b>	<b>Average hourly rate</b>
Strategic -	\$90.00
E-business -	\$88.00
Human Resources -	\$87.00
Information Immigration -	\$102.00
Information Technology -	\$84.00
Building/Property -	\$70.00
Management -	\$90.00

<b>Manufacturing</b>	<b>Average hourly rate</b>
Warehouse/Distribution -	\$21.00
General Manager -	\$69.00
Manufacturing -	\$36.00
Operations -	\$56.00
Quality Assurance -	\$43.00

<b>Retail</b>	<b>Average hourly rate</b>
Buyer -	\$43.00
Regional Manager -	\$48.00
General Manager Retail -	\$107.00
Merchandise Manager -	\$27.00
Sales Assistant -	\$20.00
Store Manager -	\$22.00

## Role Positions average rates: September 2009 (Cont.)

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<b>Sales</b>	<b>Average hourly rate</b>
Account Manager/Management -	\$57.00
Area/Regional Manager -	\$62.00
Business Development -	\$61.00
National Sales Manager -	\$76.00
General Sales -	\$36.00
Sales Management -	\$67.00
Sales Support/Assistant -	\$32.00
Technical Sales -	\$50.00

<b>Sports/Events/Leisure</b>	<b>Average hourly rate</b>
Event Management -	\$40.00
Centre Management -	\$40.00
Coach -	\$34.00
Programme Management -	\$70.00
Sports Administrator -	\$39.00
Support / Assistant -	\$22.00
Team Manager -	\$45.00

## Role Positions average rates: September 2009 (Cont.)

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<b>Supply/Logistics/Operations</b>	<b>Average hourly rate</b>
General Manager Operations -	\$70.00
Logistics -	\$54.00
Operations Manager -	\$60.00
Procurement -	\$55.00
Supply Chain -	\$65.00

<b>Scientific</b>	<b>Average hourly rate</b>
Research & Development -	\$60.00
Food Technologist -	\$60.00
Geneticist -	\$65.00
Laboratory Analyst -	\$65.00
Quality Assurance -	\$85.00
Support/Assistant -	\$20.00
Technology Research -	\$39.00
Technical Assistant -	\$41.00

## Appendix B

### Rate expectations by profession and experience level

This information tracks the average rate expectations across various professions and breaks this down by experience level. The areas with missing data indicate there was not enough depth to draw an appropriate sample.

Profession	Average hourly rate					
	Entry Level	Experienced (Non manager)	Manager	Executive	Senior Executive	Technical Specialist
Accounting	\$35.00	\$43.00	\$52.00	\$62.00	\$67.00	\$63.00
Admin / Clerical	\$25.00	\$33.00	\$47.00	\$60.00	\$110.00	\$45.00
Advertising / Media	\$47.00	\$53.00	\$59.00	-	\$64.00	\$68.00
Banking / Finance	\$31.00	\$43.00	\$53.00	\$109.00	\$112.00	\$78.00
Construction / Property	\$39.00	\$54.00	\$50.00	-	\$55.00	\$49.00
Education	\$37.00	\$51.00	-	\$98.00	-	\$59.00
Engineering	\$33.00	\$58.00	\$64.00	\$68.00	\$86.00	\$63.00
General Management	-	\$50.00	\$71.00	\$68.00	\$88.00	\$124.00
Hospitality	\$14.00	\$24.00	\$34.00	\$62.00	-	\$32.00
HR/Training	\$37.00	\$53.00	\$61.00	\$73.00	\$92.00	\$71.00
IT / Telecommunications	\$40.00	\$59.00	\$78.00	\$88.00	\$107.00	\$68.00
Knowledge management	\$44.00	\$55.00	-	\$83.00	\$110.00	\$63.00
Management Consulting	\$26.00	\$78.00	\$82.00	\$101.00	\$94.00	\$87.00
Manufacturing	\$26.00	\$36.00	\$38.00	\$50.00	\$102.00	\$35.00
Marketing / PR	\$37.00	\$50.00	\$60.00	\$79.00	\$83.00	\$75.00
Retail	\$20.00	\$25.00	\$30.00	\$53.00	\$107.00	\$25.00
Sales	\$32.00	\$50.00	\$64.00	\$69.00	\$65.00	\$45.00
Supply / logistics / Operations	-	\$43.00	\$49.00	\$82.00	\$138.00	\$53.00

- Sample size of 3,661 records, data retrieved 13 September 2009.
- These are direct engagement rates i.e. excluding any 3<sup>rd</sup> party fees.