As you’ve picked up this year’s copy of the CIPS/Hays Salary Survey and report, you’ve already demonstrated your commitment to discovering the value placed not only on your skills in procurement and supply chain management, but that of your teams and peers. I would say there are some core insights here and a great deal of progress has been made in our profession as everyone strives to meet the challenges in the 21st century. Though the data was collected before the COVID-19 coronavirus pandemic, the results are still absorbing, especially now as supply chain disruptions wreak havoc and professionals are tested to probably the greatest extent in their careers.

Even without the pandemic, supply chain managers have had a lot to contend with over the past year. The see saw of will we/won’t we leave the EU, and the US and China locking horns affecting global trade, gave financial markets the jitters and were just the tip of the iceberg of trials we all faced. But as one threat recedes into the background, others are always waiting in the wings to take their place as recent experience has shown us. Ongoing concerns around how trade negotiations with the EU and the rest of the world will pan out, as well as the human and economic cost of the COVID-19 coronavirus are the new normal. These challenges mean supply chain managers are always on their toes; always on the lookout for the next threat and how to mitigate against it and always learning about how to improve their supply chains and their own skills.

Perhaps that’s why the top skill required by businesses from procurement and supply chain professionals in the private sector especially, was risk management. Risk encompasses many things – continuation of supply is just one, the most basic requirement, but we know that supply chain managers are now responsible for a whole lot more. Sustainability issues, protection from corporate reputational risk, eliminating slaves from a business’s supply chains, all have to be the highest examples of not just risk management but strong ethical procurement. As professionals we must show greater will, greater transparency, and what I call ethics-plus, to elevate the profession still further.

With this backdrop and with the findings of the report, it’s obvious that this profession remains in high demand. When I started in procurement, there were two goals – continuity of supply and value across the supply chain. Now procurement and supply chain professionals must protect corporate reputation, create an environment for best investment opportunities, increase innovation, grow the business and beat off competition, implement digitalisation and the maintenance of sustainable supply chains. That sounds like a lot, and the necessary range of skills both technical and soft skills that are required create the professionals of choice eagerly sought by businesses large and small, and develops our professionals into potentially, the CEOs of the future.

This year’s report found that 66% of professionals said procurement was valued at their organisation. Though a positive statistic, I would like it to be higher. Having the right people in the right roles is crucial to the success of every business and we must be more vocal about the benefits of procurement and what as professionals we can do to support business goals.

On a personal career level, procurement and supply chain managers also excel. With an average pay rise of 4.6% across both Australia and New Zealand compared to the national average of 2%* in New Zealand and 2.2%** in Australia, highlighting the rewards are there for driven individuals. With 31% more in Australia and 22% more in New Zealand for MCIPS professionals, this means that talent is also being recognised. Therefore, I would urge all our professionals to keep striving and keep training and maintain their up-to-date knowledge to become Chartered professionals and prove those rewards are well-deserved. By demonstrating their relevance not only to their peers, the businesses they work for, and even the profession itself, the impact from highly-skilled professionals will be felt far and wide. Potentially, and collectively, we can make a difference to economies and even the public good; by being the best professionals, with the strongest ethics and bringing transparency and excellence to supply chains.

Malcolm Harrison
Group CEO
Chartered Institute of Procurement & Supply

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** tradingeconomics.com/australia/wage-growth

cips.org/salary-guide-australia-new-zealand
We are pleased to partner with CIPS for a sixth year to continue to provide insight into the key trends and issues impacting the procurement and supply chain profession.

The events of the opening few months of 2020 have been unprecedented leaving many professionals and organisations to adapt to a new way of working and to rapidly changing situations. One thing the COVID-19 crisis has allowed procurement and supply chain teams to demonstrate is just how invaluable their role is in keeping vital services across the world afloat, including healthcare, social care and food supply chains to name just a few. As we enter into the new era of work, this importance will continue to develop.

In our ‘new normal’ world it’s been shown that hiring and onboarding procurement professionals can continue in a virtual way, so with skills shortages still being widespread, those employers who are carrying on with their recruitment plans to fill skills gaps now will be in the best position as we transition to the other side of the pandemic. In terms of the skills in demand, change management has entered the list of top skills needed for a professional to perform their job well for the first time this year. As has been made apparent in the first few months of 2020, change is inevitable, so being adaptable to change will likely become even more sought-after within procurement. Professionals should therefore develop in this area to succeed in the new world of work.

Working from home is one aspect of working life that has become decidedly more widespread as a result of the COVID-19 pandemic. Our guide shows that being able to work from home is an important factor to professionals, so employers should use this opportunity to see how they can maintain remote working capabilities going forward.

The salary increases we are seeing in a number of roles within the profession is an indicator of the high value that continues to be placed on talented professionals, and we would expect this trend to continue in the next year as the procurement and supply professions continue to play an important role during the COVID-19 crisis and beyond. We hope you find the insights covered in this report useful in your workforce planning, or as a guide for your own career development.

Scott Dance
Director, Hays Procurement & Supply Chain

This report is published as the Australian and New Zealand economies emerge from the coronavirus pandemic. While the initial phase of the pandemic appears to have been very well managed in the region, Australia and New Zealand cannot be isolated from the impact of the pandemic on the global economy. The pandemic highlighted the risks that exist in the supply chains of all organisations. Managing that risk has, arguably, never been more important, while the complexity of the task faced by procurement professionals has never been greater.

With this emerging context, the CIPS/Hays Procurement Salary Guide and Insights 2020 report clearly shows that in Australia and New Zealand the demand for procurement professionals continues to be very strong. Within the profession there continues to be a significant salary premium (31% Australia, 22% New Zealand) for MCIPS professionals as opposed to non-MCIPS professionals. Furthermore, there was a greater incidence of bonus payments for MCIPS qualified professionals.

Unfortunately, the gender pay gap divide continues to be an issue. This disparity in male and female earnings has been discussed in previous reports and is one that the profession must now start to examine in greater depth; with a view to understanding why the gap exists and what can be done to eradicate it.

Digitalisation increasingly allows more operational and repetitive procurement tasks to be completed with greater speed and accuracy. This has increased the focus of procurement professionals on strategic and risk management activities. The combination of the environment in which procurement professionals are working and evolving technologies is impacting the skills that procurement professionals are being asked to exhibit. There is much greater focus on the soft-skills of communication, relationship management, influencing and stakeholder management. The development of these soft skills will be an increasingly important component of the future procurement professionals’ catalogue of competences. As a result, the need for training and development will be critical to equip procurement professionals with these ‘future facing’ competences. This report clearly illustrates that procurement professionals are aware of the need for ‘professional development’ and are being attracted to those employers who offer training and development as part of an overall benefits package.

At the start of this decade the challenge for procurement professionals is clear, a rapidly changing business and technological environment requires new capabilities and competencies to be added to the procurement professional’s arsenal. The development of these capabilities combined with new ways and patterns of working will be key drivers of the profession in the next ten years.

Dr. John Glen
CIPS Economist
Visiting Fellow of Cranfield University
ABOUT THIS REPORT

The CIPS/Hays Procurement Salary Guide and Insights 2020 allows procurement professionals and employers to:

• Evaluate the perceptions of procurement
• Benchmark salaries and bonuses for different roles
• Highlight career aspirations
• Gain insights on how to attract, retain and develop talent

The data was collected prior to the COVID-19 outbreak, however, we hope the information contained in this guide still provides useful insights when hiring or taking the next step in your career during this extremely busy time for procurement professionals. We will continue to monitor the impact of COVID-19 in next year’s 2021 report.

THE REPORT IS DIVIDED INTO SECTIONS:

1. Procurement – Perceptions, challenges, skills and opportunities
2. Salaries, bonuses and benefits
3. Talent management

CONCLUSION

Within each section we have set out the statistical findings of our survey alongside conclusions drawn by the experts involved in putting together the report, plus links to useful information and resources that further support the points discussed.

The findings in this report are based on research conducted in September 2019 via an online survey among professionals currently working in procurement. This year over 5135 professionals globally completed the survey. The results were analysed by the Professional Associations Research Network (PARN).

The data in all graphs is based on 2020 respondents only and is not a comparison on 2019 data. However, we have highlighted significant year on year changes.

Statistics throughout this report have been rounded to the nearest decimal point.

Throughout this report different levels of professional seniority have been summarised into five levels of competency. These are described in the chart below along with some examples of job roles that fall into each group.

The data was collected prior to the COVID-19 outbreak, however, we hope the information contained in this guide still provides useful insights when hiring or taking the next step in your career during this extremely busy time for procurement professionals. We will continue to monitor the impact of COVID-19 in next year’s 2021 report.

COMPETENCY LEVEL

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<tr>
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cips.org/salary-guide-australia-new-zealand
The procurement and supply chain profession has evolved at a rapid pace and now offers a more interesting and rewarding career than ever before.

Today’s professionals are seen not only as buyers, but as enablers, business partners and strategic leaders who understand business needs are core to the success of their organisation, and who are aligned with the social responsibility and ethics agenda.

The social, political and economic environment in which organisations are operating is increasingly more complex, which has been compounded in recent months by the COVID-19 global pandemic. On top of this, the digital evolution is placing greater demands on procurement and supply chain management. Business leaders are progressively turning to procurement for solutions to reduce risks and find new opportunities. In fact, risk mitigation – whether continuity of supply, reputational risk caused by ethical and environmental issues, or ensuring the sustainability of sources of critical products and services – is fast becoming the prime focus of modern procurement.

At the heart of this are value, ethics and sustainability, which should run through every aspect of procurement. Procurement and supply chain professionals need to strategically position themselves as champions for change, promoting the highest standards of ethical practice for their organisations and supply chains. Modern slavery is a perfect example of how procurement professionals, by ensuring more transparent supply chains, can step in and not only help to safeguard the reputation and longevity of their organisations, but also make a difference to people’s lives.

Procurement is growing ever-more important, valued, interesting and rewarding as a career. And so, it is perhaps no surprise that we are seeing an influx of new talent entering the profession. In fact, 59% of our respondents – a much higher proportion than expected – stated that they had made a conscious decision to work in procurement, which is a marked difference to years gone by when professionals said they ‘fell’ into procurement. It is a particularly exciting career choice for young professionals who are attracted by the potential to hit the ground running from day one, manage large budgets, and manage supplier contracts that can make a real difference to people’s lives, economies and society as a whole.

It has also become easier to move from other professions into procurement roles, as organisations continue to place a stronger emphasis on recruiting for soft skills. Technical skills and qualifications are an important foundation for procurement roles, but they can be learned on the job and so abilities such as communication, influencing and internal stakeholder management have become more highly sought after. As procurement and supply chain managers develop their skills, we are also seeing more individuals move into more generalist roles with some making their way to the very top.

In the fourth Industrial Age with its core focus on digital initiatives, we are starting to see more automation of procurement processes, which will continue to evolve. In fact, 69% of our respondents expect technology to replace some or all of their tactical sourcing decisions in the future. This is not seen as a negative trend, since 95% of our respondents see technology as an enabler to create opportunities for procurement. For example, automation helps to reduce or even remove human error, and means that soft skills will become even more critical, which means procurement professionals will be freed from repetitive, time-intensive tasks and will be able to focus on strategic activities that can positively impact business outcomes.

The picture our report paints of the value placed on strong procurement and supply management is largely positive but there are still some challenges. Primarily, these centre on internal issues such as not being seen as a business partner or not being engaged from the start of a project. In reality, gaining competitive advantage through strategic sourcing, efficiencies and effective risk management are real value-adding activities, and so business leaders are increasingly looking for procurement professionals who are able to deliver these outcomes and ultimately enhance the overall business performance.

Sharon Morris
CIPS General Manager – Australia and New Zealand

CIPS Tips

- Report: Digitalisation in Procurement
- Guidance: Soft Skills
- Guidance: Stakeholder Management
- Guidance: How to become an effective storyteller
- Guidance: Change Management
Procurement has evolved to a large extent over the last two decades to become more central to the success of organisations. Today’s professionals have a wider remit, require broader skills and experiences, and are becoming ever-more sought after as business challenges increase in number and complexity. This has been even more true during the COVID-19 outbreak, where procurement professionals have played a key role in helping to keep frontline services, from healthcare through to supermarkets, supplied with the assets they need to support the community. From embedding innovation through digital disruption and proactively embracing the sustainability agenda, to shaping and developing new supply markets or improving the wider community and economies through a focus on social value, there is no doubt that procurement and supply chain professionals are making a real difference to customers, colleagues, society and other stakeholders.

Although this year’s perception of procurement and supply management is largely positive, with 73% of respondents agreeing that the perception of procurement has improved within their organisation, we should not be complacent. There is still crucial work to do in terms of influencing key internal stakeholders and senior business leaders if procurement is to gain the recognition it deserves as a critical business discipline on par with other well-regarded departments.

It’s certainly true that procurement has evolved and is now increasingly viewed as a strategic partner to a business. In the conversations we have with employers and procurement professionals, it’s clear that today’s procurement and supply chain leaders operate in a world of continuous change. Procurement has transitioned from a tactical to a strategic function, with procurement professionals now able to contribute to overall business efficiency and competitiveness and directly impact the bottom line. This creates quality opportunities for those entering the profession or looking to advance their career.

To take advantage, look for opportunities in your current or next role where you can gain commercial acumen, learn stakeholder engagement skills, develop your people management skills and display your proactive and collaborative nature. Be ethical, work hard and drive the sustainability agenda. In this way, you’ll be able to show you have what’s required to engage with a business and its stakeholders to drive positive change.

Tim James – Hays Australia
Adam Shapley – Hays New Zealand

CIPS Tips
- Podcast: Behavioural Procurement
- Podcast: Procurement must lead rather than being led
- Tools: Soft Skills and Communication Tools
- Tools: Stakeholder Identification and Management Tools
- Guide: The DNA of a CPO [AU guide] [NZ guide]
Excluding the impacts of COVID-19 on organisations, our findings show that, once again, internal challenges dominate, reinforcing the importance of securing strategic and operational buy-in and engagement with stakeholders as a priority for professionals. Procurement must be championed as a strategic enabler at the very highest levels of an organisation and be fully appraised of strategic objectives to deliver against senior leadership’s expectations, demonstrating real value.

In organisations where procurement is seen as a strategic partner, the function is likely to be engaged at the earliest stages of identifying business goals, such as supply chain sustainability, cost savings and digital transformation. Many organisations are coming to realise that to play a part in achieving these corporate goals, procurement must be involved at the beginning.

Managing risk in the supply chain is also identified as a key challenge. Risk mitigation - whether it is to achieve security of supply, prevent reputational risk caused by ethical and environmental issues, or ensure the sustainability of sources of critical products and services - should be the prime focus for procurement and supply. Procurement professionals must focus on increasing transparency across their supply chains, increasingly traceability and proactively managing and mitigating risks across their supply chain.

**TOP SIX CHALLENGES**

- Being seen as a strategic partner to the business: 65%
- Ensuring engagement with procurement at the outset of a project: 55%
- Managing risk in supply chain: 41%
- Attracting staff with the right skills: 36%
- Investing in the right technology: 33%
- Being recognised within the organisation for savings made: 29%

**CIPS Tips**

- Tool: CIPS Risk Toolkit
- Tool: CIPS Risk and Resilience Assessment Model
- Guidance: Risk Analysis and Management
The perception of procurement is changing across all sectors as it continues to be viewed as a more strategic activity and a critical lever in achieving organisational objectives. As we have highlighted earlier in this report, this means the demands on today’s procurement professionals are more complex and have increased in number. This brings both opportunities and challenges for procurement and supply chain managers if they are abreast of the latest thinking, and while technical skills are well understood, the skills for today’s successful procurement professionals have much in common with those of a business leader.

Consequently, we have seen a year-on-year increase in the importance of soft skills at every level, which continue to dominate the top five in our list of skills in demand and are seen as very important by procurement professionals for performing in their role. This year, communication, influencing and internal stakeholder management were identified within the top five skills in demand at all levels, while leadership skills were also of most importance for senior professionals which have also increased in importance during the COVID-19 crisis. These skills are all critical to achieving cost-effective and strategically sound procurement solutions. Trained professionals know this includes creating a business case, securing buy-in from internal stakeholders, pre-empting challenges and sourcing the right suppliers, developing relationships and managing contracts effectively.

Of course, technical skills are still valued and this year we see change management in the top ten skills for the first time. Traditionally, dealing with change was tasked to a tactical function but more and more, organisations appreciate the limitations of this approach which may stem from a lack of skills and experience, a lack of time to implement change or not enough information available for the change programme. Business leaders therefore see change management as a distinct and strategic skill which requires departmental and senior level buy-in, the right support and the right systems in place. However, as well as requiring technical knowledge, effective change managers must also possess all the soft skills listed here and so this cannot be seen as a standalone requirement.
As previously noted, this data was collected before COVID-19. The data showed that, at that time, the average salary increase for procurement professionals this year is 4.6% across both Australia and New Zealand compared to the national average of 2%* in New Zealand and 2.2%** in Australia. While salary increase expectations are now very different across all industries and professions, this result paints a very positive picture for procurement as a profession that is highly regarded and remunerated.

As expected, those at more advanced levels of seniority earn higher salaries and remuneration is highest in the Private Sector across all levels. However, the results also show the Public Sector is seeking to win talent back from the Private Sector.

In both countries, a gender pay gap is still noticeable at every level, despite a huge improvement on last year. In Australia, the largest disparity is at Advanced Professional (13%) and Operational (18%) level, while in New Zealand the largest pay gap is at Operational level (15%) and the narrowest is at Managerial level (2%).

However, although salary will always be an important aspect for employers to get right to attract professionals to a role, it should not be viewed in isolation. Not every organisation will be able to compete for talent through pay – particularly now when budgets are tight – and therefore the entire package on offer to professionals, from benefits and continued flexible working options through to the variety of the role, must also be considered and promoted to prospective job candidates.

I cannot think of a time where procurement has been so vital for organisations – more so with the disruptions we have experienced in recent months. The opportunity to impact business performance and make a difference for the environment and the community is huge. With this, comes the need to further develop soft skillsets such as communication and influencing, to support greater responsibilities. And the reward – both salary and career progression – is quite enticing.

Sharon Morris
CIPS General Manager – Australia and New Zealand

*CIPS Tips

Tool: Interactive global salary map
Webinar: Diversity and inclusion with Rio Tinto

** tradingeconomics.com/australia/wage-growth
AVERAGE SALARIES BY LEVEL OF SENIORITY AND GENDER - AUSTRALIA

ADVANCED PROFESSIONAL
- Male: 196,200
- Female: 173,242
+AUD 23.0k
+13%

PROFESSIONAL
- Male: 156,942
- Female: 147,408
+AUD 9.5k
+6%

MANAGERIAL
- Male: 137,500
- Female: 132,037
+AUD 5.5k
+4%

OPERATIONAL
- Male: 117,933
- Female: 100,326
+AUD 17.6k
+18%

TACTICAL
- Male: 88,111
- Female: 85,942
+AUD 2.2k
+3%

AVERAGE SALARIES BY GENDER

KEY
- Male
- Female

000s AUD

SALARY BY REGION

Victoria and Tasmania combined
- Male: 135,798
- Female: 156,603
+

Australian Capital Territory and New South Wales combined
- Male: 156,603
- Female: 146,791
+

South Australia and Northern Territory combined
- Male: 116,745
- Female: 149,691
+

Queensland
- Male: 116,745
- Female: 149,691
+

Western Australia
- Male: 149,691
- Female: 149,691
+

cips.org/salary-guide-australia-new-zealand
2020 is a year that will be long remembered. In just a few short weeks, the world as we knew it was upended as COVID-19 saw unprecedented change sweep across the world of work.

For procurement professionals, like their colleagues in other departments, one major change has been the mass adoption of working from home and associated challenges, including health and wellbeing. Yet there have also been many benefits, with video conference tools creating opportunities for people to not only maintain communication with stakeholders and colleagues but have more planned and strategic discussions than those that may otherwise occur informally around the water cooler.

For many, productivity has also improved thanks to the removal of lengthy commutes and general office chit-chat. Others have found they’re using data more than ever and, crucially, gaining insights from it in a way they never have before to make more informed decisions.

As Sharon noted in her introduction, another trend of note is the tendency of organisations to place a stronger emphasis on recruiting for soft skills. In response to COVID-19, an agile mindset and problem-solving soft skills have risen in importance. Employers now want all new hires to be able to adapt to any potential future periods of monumental change.

Finally, as organisations move into the recovery phase and, over time, back to growth, skill shortages will become a critical issue for employers once more. As a result, it’s important to remain informed about current salary and recruitment trends so you can pivot and make sensible decisions when you next recruit.

Tim James – Hays Australia
Adam Shapley – Hays New Zealand
Soft skills are in demand at every level of the procurement profession, but are most pronounced at senior levels.

It is those skills like negotiation and communication, influencing and stakeholder management that help to elevate the value of procurement within a business and which are essential to building relationships. Technical expertise is obviously an essential requirement, however employers need to consider a shift in recruitment strategies to ensure that soft skills are factored in too.
The digital revolution is placing more complex demands on procurement and supply chain management. It is therefore logical that procurement professionals view technology as a critical enabler of opportunities for the future.
AVERAGE SALARIES BY LEVEL OF SENIORITY AND GENDER - NEW ZEALAND

**ADVANCED PROFESSIONAL**

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**PROFESSIONAL**

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<td>130,842</td>
<td>+NZD 11.5k</td>
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**MANAGERIAL**

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**OPERATIONAL**

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<td>73,833</td>
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AVERAGE SALARIES BY GENDER

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<th>Female</th>
<th>Change</th>
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<td></td>
<td>135,597</td>
<td>111,022</td>
<td>+NZD 11.9k</td>
<td>+22.1%</td>
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SALARY BY REGION

- **Auckland region**: 135,798
- **Christchurch region**: 156,603
- **Wellington region**: 146,791
INCIDENCE OF RECEIVING A PAY RISE IN THE LAST 12 MONTHS BY REGION

Auckland region
Average pay rise as % 5.2%

Christchurch region
Average pay rise as % 3.9%

Wellington region
Average pay rise as % 4.4%

Globally, recognised, MCIPS demonstrates professional relevance and credibility – and increases demand from employers.

The power of MCIPS
MCIPS brings professional credibility and increases demand from employers. Join today* and start to benefit from MCIPS’ professional recognition.

*cps.org/joinonline

Sharon Morris
CIPS General Manager – Australia and New Zealand

Both in Australia and New Zealand, MCIPS continues to increase its relevance in the eyes of employers and recruiters, opening more doors and enabling greater earning potential for certified practitioners. In return, organisations have an assurance that those professionals are operating at the highest level, delivering more value back to the business and enhancing the profile of the procurement function.
We continue to see a growing appreciation and understanding of the value of MCIPS and FCIPS as procurement grows its strategic influence. The designations are clearly highly respected and valued as a mark of professionalism and performance.

MCIPS denotes that an individual has achieved an internationally recognised award which represents the global standard for practitioners within the procurement and supply profession. It signals to peers and employers professional excellence and credibility based on ability, achievements, experience and ethics. Combined with ambition and commitment, MCIPS and FCIPS professionals command a premium in terms of salary, benefits and eligibility to receive a bonus.

It is also important to point out the continuing higher earning power, both in terms of salaries and bonuses, of MCIPS and FCIPS professionals compared to their non-MCIPS colleagues. This internationally acknowledged professional recognition of skill and competency provides reassurance and demonstrates candidates’ commitment to their professional proficiency. MCIPS and FCIPS professionals have shown dedication to their career with ongoing learning and operating with integrity through ethical practice, which is reflected in their remuneration.

### MCIPS AND FCIPS SALARY DISPARITY – AUSTRALIA

<table>
<thead>
<tr>
<th>KEY</th>
<th>MCIPS</th>
<th>Non-MCIPS</th>
<th>FCIPS</th>
<th>Non-FCIPS</th>
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### MCIPS AND FCIPS SALARY DISPARITY – NEW ZEALAND

<table>
<thead>
<tr>
<th>KEY</th>
<th>MCIPS</th>
<th>Non-MCIPS</th>
<th>FCIPS</th>
<th>Non-FCIPS</th>
</tr>
</thead>
<tbody>
<tr>
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<tr>
<td>116,827</td>
<td>142,909</td>
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</tr>
<tr>
<td>116,827</td>
<td>162,500</td>
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Most commonly, bonuses in both Australia and New Zealand are based on a mix of criteria and this is also the preference for most procurement professionals. Achieving personal targets (14%) and the company achieving targets (11%) are the next most common criteria for bonuses to be based upon. 32% were eligible to receive a bonus and, of those eligible, 10% did not receive a bonus. The Private Sector boasts by far the largest proportion of procurement professionals eligible for and receiving a bonus. This is as expected due to private companies generally offering higher salaries of which bonuses are usually a percentage.

We continue to see procurement professionals with the MCIPS designations being more likely to be eligible for and to receive a bonus, as well as receiving larger bonuses than their non-MCIPS counterparts. The same is true of FCIPS: CIPS Fellows are the champions of our profession, showing a huge commitment to lifelong learning, mentoring, ethical procurement and so much more. The differences they make on organisational and professional levels are huge and therefore they can command the highest levels of remuneration.
BONUSES – AUSTRALIA

BONUS ELIGIBILITY BY SECTOR

<table>
<thead>
<tr>
<th>KEY</th>
<th>Private Sector</th>
<th>Public Sector</th>
<th>Charity/Not for Profit</th>
</tr>
</thead>
</table>

Average bonus as % of salary by sector:

- **Private Sector**: 11.8%
- **Public Sector**: 7.5%
- **Charity/Not for Profit**: 10%

BONUS ELIGIBILITY IN THE LAST 12 MONTHS BY REGION

<table>
<thead>
<tr>
<th>KEY</th>
<th>Received a bonus</th>
<th>Eligible but did not receive a bonus</th>
<th>Not eligible</th>
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- **Victoria and Tasmania combined**:
  - 37% received a bonus
  - 9% eligible but did not receive a bonus
  - 54% not eligible
  - Bonus as % of salary: 11.9%

- **Australian Capital Territory and New South Wales combined**:
  - 38% received a bonus
  - 11% eligible but did not receive a bonus
  - 51% not eligible
  - Bonus as % of salary: 10.8%

- **South Australia and Northern Territory combined**:
  - 26% received a bonus
  - 13% eligible but did not receive a bonus
  - 61% not eligible
  - Bonus as % of salary: 7.6%

- **Queensland**:
  - 16% received a bonus
  - 16% eligible but did not receive a bonus
  - 68% not eligible
  - Bonus as % of salary: 11.6%

- **Western Australia**:
  - 39% received a bonus
  - 11% eligible but did not receive a bonus
  - 50% not eligible
  - Bonus as % of salary: 12.2%
As this survey shows, 32% of procurement professionals were eligible to receive a bonus last year. This year however, it’s important to keep the current market in perspective. With budgets tight, employers may not be in a position to offer large bonuses. In fact, bonus expectations can best be described as conservative this year. Therefore, employers should consider alternative means of rewarding top performance. For example, could you offer learning and development opportunities, a clear path of progression or more autonomy and responsibility? Such options can help you nurture and reward your best and brightest at a time when you are unable to offer a financial reward.

Tim James – Hays Australia
Adam Shapley – Hays New Zealand
This year, we expanded our survey in order to provide a detailed insight into the benefits employers offer compared to the benefits employees want to receive.

As we identify throughout our report, in a world where talented individuals are highly selective about their career decisions and where so much information is available about organisations, those looking to recruit must work hard to attract and retain talent. The information in this section will be crucial for employers with the foresight to tailor their offer to reflect real needs and ambitions at every stage of their employees’ career journeys.

Our report highlights that, while the top benefits offered match the top benefits desired by employees, availability exceeds desirability in most cases. This perhaps signals a need for employers to diversify their packages. For example, private medical insurance, income protection/permanent health insurance and car allowance/company car were all identified as being considerably more desired by employees than were being offered by employers. It is important to note that the benefits desired often differ between different demographics within the workforce, so employers should carefully evaluate their offering and tailor it to meet the requirements of individual members of their team.

Working from home and flexible working feature among the top three most commonly offered and desired benefits, across all levels of seniority and gender. Given that the COVID-19 pandemic has forced many organisations to set up remote working for their teams, going forward they should consider how to incorporate the positive benefits of home working in their offering to employees long-term. For example, working from home means professionals spend less time and money on commuting to work, and more time they can dedicate to their personal lives. This is highly valued by employees, and will no doubt be sought when looking for a new role in the future.

**CIPS Tips**

Podcast: Find out more about flexible benefits packages

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**MOST COMMON FAVOURED BENEFITS BY PROFESSIONALS FOR 2020**

- Flexible working: 41%
- Private Medical Insurance: 41%
- Working from home: 38%
- Support for study/career development: 29%
- Professional Body membership fee: 28%
- Income Protection/Permanent Health Insurance: 27%
TALENT MANAGEMENT

With 67% of employers stating they are struggling to find talent, organisations must consider their entire offer, not just in terms of remuneration, to ensure they can recruit the best talent.

Candidates will be looking at everything from location, workplace accessibility, salary, training and benefits, to ethical and environmental integrity and ultimately the overall company reputation. The organisations that make these part of the total offer, clearly communicate them at every stage of the recruitment process, and that are willing to ‘flex’ benefits throughout individual careers, will be the ones who become employers of choice in a fiercely competitive talent market.

Talent management is all about matching the needs of employers with employees and vice versa, and since we began this report, we have highlighted a mismatch between the two, with organisations often not fully understanding what professionals are looking for in a new role. Prospective employees are now much more selective and, thanks to social media, have a wealth of information about employers at their fingertips. Successful employers will therefore pay close attention to their offer and company and team image, and make sure positive messaging around this is promoted online and in social media.

CHALLENGES IN RECRUITING THE RIGHT TALENT

<table>
<thead>
<tr>
<th>Challenge</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Lack of sector skills and experience</td>
<td>56%</td>
</tr>
<tr>
<td>Candidate salary expectations</td>
<td>42%</td>
</tr>
<tr>
<td>Budget restraints</td>
<td>39%</td>
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<tr>
<td>Lack of technical skills/evidence of formal procurement training</td>
<td>39%</td>
</tr>
<tr>
<td>Competition from other employers</td>
<td>32%</td>
</tr>
<tr>
<td>Lack of soft skills</td>
<td>30%</td>
</tr>
<tr>
<td>Organisational fit</td>
<td>27%</td>
</tr>
<tr>
<td>Internal processes/HR</td>
<td>20%</td>
</tr>
<tr>
<td>Location</td>
<td>16%</td>
</tr>
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TOP FIVE SKILLS IN DEMAND

<table>
<thead>
<tr>
<th>Skill</th>
<th>Percentage</th>
</tr>
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<tbody>
<tr>
<td>Communication</td>
<td>66%</td>
</tr>
<tr>
<td>Internal Stakeholder Management</td>
<td>59%</td>
</tr>
<tr>
<td>Influencing Skills</td>
<td>57%</td>
</tr>
<tr>
<td>Negotiation</td>
<td>57%</td>
</tr>
<tr>
<td>Supplier Relationship Management</td>
<td>57%</td>
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TOP FIVE MOST IMPORTANT FACTORS WHEN CONSIDERING A NEW JOB

<table>
<thead>
<tr>
<th>Factor</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management Team</td>
<td>65%</td>
</tr>
<tr>
<td>Salary</td>
<td>63%</td>
</tr>
<tr>
<td>The content of the work</td>
<td>62%</td>
</tr>
<tr>
<td>Company reputation</td>
<td>61%</td>
</tr>
<tr>
<td>Career progression opportunities</td>
<td>60%</td>
</tr>
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CIPS Tips for Employers

- Webinars: Best in Procurement
- Podcast: How to retain the best talent in your team

CIPS Tips for Candidates

- Podcast: What to consider when looking at a new employer...not just salary!
- Podcast: How to plan for the next step up in your career
- Training: Find out about CIPS World Class Training
CONCLUSION

Following my first full year in this role the focus on attracting and retaining highly skilled commercial professionals means that, as a profession, we need to continue to ensure appropriate reward and pay is at the forefront of our minds.

However, we should also remember that ‘people do business with people’. Whilst the digital enablers discussed in this report will all play their part in improving the effectiveness and efficiency of organisations, and of procurement and supply chain functions, the need for effective social and emotional skills is paramount.

That's no eureka moment or rocket science, I hear you say. And I concur. It has been talked about for 20+ years. However, being emotionally intelligent is now a prerequisite rather than a differentiator. Effectively influencing and managing internal and external stakeholders is just part of the day job. Simply having appropriate and up to date technical skills, qualifications and experience is not sufficient to be successful as a procurement and supply chain professional. We also need appropriate and up to date soft skills – without sacrificing any commercial acumen organisations expect from us.

This combination of skills, knowledge and experience will enable us to engender a mentality of customer centricity, of value creation, of service provider, of strategic contributor. Speak the language of business – not just procurement and/or supply chain. Be authentic, credible and trustworthy. Be effective practitioners delivering on our commitments. Collaborate. Be ethical with a strong moral compass. Be ambassadors for our organisations, sectors and profession.

The future is anything but dull for procurement and supply chain, and the opportunity to make a difference continues to motivate and inspire. For any in the profession unable or unwilling to continually develop appropriate soft skills and be change agents in an increasingly digital world, now is the time to consider a career change. Seriously.

Employer recognition

It has been pleasing to read that organisations continue to value and reward those in the profession through greater-than-average increase in remuneration and benefits – with a couple of minor exceptions.

Progress continues to close the gender pay gap, although clearly more work is required.

Professional qualifications like MCIPS/FCIPS also continue to be recognised through higher salaries. However, I would like to see employer recognition for Chartered status; those in the profession advocating their commitment to ethics and continued professional development.

Attracting and retaining talent

The talent attraction and retention conundrum continues with no obvious resolution in sight, despite improvements in flexible benefits packages. It is an increasing challenge for organisations grappling with ever-broadening expectations; from career change or ‘not-ready-to-retire’ Baby Boomers, to Gen Z with a whole different expectation of the employee value proposition. Oh, and then there's the race to nurture and attract Gen Alpha into the profession. What will their expectations be? Whilst digital literacy shouldn't be a challenge social and emotional interaction could be?

It was encouraging to read that progress is being made in procurement and supply chain becoming a career of choice – or at least a conscious job move.

In summary

We have much to celebrate and be proud of in the profession. Share and learn from each other through proactive participation in our rich and diverse professional networks and communities.

Don't rely solely on what mother nature provided for our soft skills or academic and professional qualifications for our technical skills. Be self-aware and accountable for continuing personal development, whether formal training courses, job moves, new projects, new qualifications, mentoring, coaching etc.

Maintain a strong moral compass and promote ethics and sustainability within our areas of responsibility and beyond.

Marc Hutchinson (FCIPS Chartered)
CIPS Chair of Congress
Global Procurement Director, Baker Hughes FPS

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Transforming the profession

MCIPS is the global standard for procurement professionals

CIPS Global Standard, benchmarking procurement professionals’ knowledge and competencies

300 organisations transformed through CIPS Procurement Excellence Programmes

CIPS Ethics Test free to members

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About CIPS, the Chartered Institute of Procurement & Supply

The professional body
CIPS, a not-for-profit organisation that exists for the public good, is the voice of the profession, promoting and developing high standards of skill, ability and integrity among procurement and supply chain professionals.

Quality guaranteed
Our qualifications are recognised by OFQUAL in England and regulators in various countries, demonstrating that they meet specific quality standards.

The Global Standard
CIPS Global Standard in Procurement and Supply, which is freely available, sets the benchmark for what good looks like in the profession.

A commercial organisation
CIPS helps governments, development agencies, and businesses around the world to excel in procurement and supply, supporting them to improve and deliver results and raise standards.

Global Standard freely available
Global membership of 70,000
...in over 150 countries