

IT CONTRACTOR RATES TAKE A NOSEDIVE

Wednesday 7th May 2003: IT contractor rates have fallen over the past twelve months, with contractors lowering daily rates to accommodate falling company outsourcing budgets and compete in a market saturated with skilled professionals, according to a new survey.

The March 2003 *Contractor and Consultant Rates Survey* of Australian organisations using or supplying IT contractors, produced by remuneration specialists CSi and representing information for 1,128 contractors, found that the majority of daily pay rates had dropped, with only a handful of roles posting increases.

Just five out of the 25 contractor roles surveyed posted marginal annual rate increases, while rates for all other positions, including Senior Systems Analyst (falling by 19 per cent over twelve months), Senior Network Specialist (-16 per cent), Technical Specialist – Telecommunications (-16 per cent), Project Manager (-14 per cent), LAN Support Specialist (-11 per cent) and Analyst Programmer (-8 per cent), floundered.

“The reasons for the dramatic falls in daily contractor rates are varied,” says CSi managing director Peter Barton. “Obviously the over-supply of skilled professionals in the IT jobs market is one – the ‘supply and demand’ factor – but some contractors have also been lured into the security of permanent employment, which means no more job-hopping or fleeting loyalties.”

The few roles experiencing increases over the past year include: Business Analyst (+24 per cent), Technical Specialist – Network Architect (+9 per cent) and Systems Analyst (+2 per cent).

Contractors with premium skills are also still in demand. Those classified as having 'Leading-Edge Hot Skills' (such as CCIE, SAP, Architecture, Data Mining and XML) are commanding premiums of up to 38 per cent above the average daily rates.

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Note: This survey represents contractors working on IT sites in a range of industries: for example, IT contractors working on computer sites within Banking and Financial organisations.

CSi is Australia's remuneration specialist. We conduct 20 industry-specific salary surveys in Australia and New Zealand and provide remuneration consulting services ranging from executive compensation advice to remuneration technology services. CSi is a private, Australian-owned company.

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