

IT pay rises just pip inflation

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The lingering ICT skills shortage is finally having an effect on workers' salaries, though wage rises still hover only 1-2 percentage points above inflation.

Workers in telecommunications and IT companies enjoyed a 4.7 per cent average rise on their base salary over the past 12 months, above the 3 per cent inflation rate for the period, according to figures from Australian pay researcher CSi. Average pay including bonuses and commissions rose 4.9 per cent.

The wage rises are nearly a full percentage point up from salary rises in the 12 months to February, though inflation for that period stood at 2.7 per cent.

The average base salary rise was higher than for computer specialists who work in banks, universities, government departments and businesses, which CSi set at 3.4 per cent in the 12 months to September.

That's up from 2.7 per cent for the year to March, which matched inflation.

Total pay including bonuses and commissions rose 4.3 per cent, up from 4.2 per cent in March.

CSi remuneration consultant Nick Woodward says the ICT skills shortage is helping push salaries up, as is head-hunting of top talent.

"Companies need to be aware of head-hunting activities and actively formulate strategies to deal with this issue and retain top talent," he says.

"However, CEOs are under immense pressure to maintain profitability and this has led to close monitoring and control of salary spending, hence the reason why we are not seeing IT&T industry pay escalating to the levels seen in the late 90s."

In both surveys, about one in six staff voluntarily left their positions within the survey period.

CSi's survey coincides with a report released by recruitment consultancy Hudson showing salaries for ICT positions rising between 2-6 per cent on average in the past year.

There was particularly strong demand for Java and .Net developers, systems analysts, 3G technical specialists and ICT managers.

In CSi's survey the biggest increases went to IT management and business analysts.

Rates for contractors in Hudson's report were more stable. Campbell Hepburn, Hudson's national IT&T manager, says government departments are moving increasingly toward permanent or fixed-term employment to replace independent contracting.

"We're finding that many organisations are increasingly looking to hire permanent staff due to cost savings and, just as importantly, they retain the intellectual property gained during projects," he says.

Hudson puts Wellington as the most active market, followed by Auckland then Christchurch. CSI surveyed 7400 employees of telcos and IT firms, and 3260 computer specialists in industries and government. Hudson's report covered 2550 people.

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