

I.T. SALARIES STABILISE - SALARY SURVEY

Wednesday 7th May 2003: Despite organisational expenditure on major IT projects being deferred as a result of weak business confidence and many companies reducing their IT headcounts, those IT specialists who have held onto their jobs are faring quite well in the pay market.

New research by remuneration specialists Classified Salary Information Services (CSI) has revealed IT incumbents have received average Total Remuneration increases of 4.1 per cent over the past 12 months – compared to 6.1 per cent over the year to April 2002 – and that organisations are anticipating average annual salary increases of 3.6 per cent for their IT employees.

The April 2003 *Australian Computer Specialists Salaries and Benefits Survey*, representing information from 108 organisations with a total of 13,891 IT employees, has also revealed that the Banking, Finance and Insurance industries are the place to be for IT professionals wanting good salaries, with average Total Remuneration increases of 6.0 per cent being awarded in the sector.

In contrast, computer specialists working within the Computer and High-Tech industry received average increases of 3.0 per cent over the year to April 2003 and those in the Energy and Primary Industry just 2.8 per cent.

“The ability of organisations to reward their employees is relative to the performance of the organisation, as well as the overall health of industry they’re working within,” says CSI

managing director Peter Barton. "Increases awarded to IT professionals have reduced across the board in order to bring previously inflated salaries in line with those to non-IT staff."

The survey also found that while entry- to specialist-level staff with 'leading-edge hot skills' (such as SAP, Oracle, Java, Data Mining, XML, Architecture and CRM) continue to receive good pay premiums (5 to 7 per cent above the market average), management-level employees working with leading-edge technologies are not (0 per cent premium), indicating that such skills are now assumed knowledge at this level.

Job families posting above-average remuneration increases include Management (5.8 per cent) and Applications Services (4.3 per cent). Computer Services/Infrastructure (4.1 per cent) Client/User Services (3.5 per cent) and Operations (3.5 per cent) registered lower annual increases, though these are still above the CPI of 3.4 per cent (annualised to March 2003).

The Department of Employment and Workplace Relations' ICT Vacancy Index remains the best indication of demand trends for IT staff due to the high proportion of internet advertising in the sector. The level of vacancies continues to reflect the depressed nature of the jobs growth for IT professionals. Monthly job vacancies, as measured by this index, have fallen as follows:

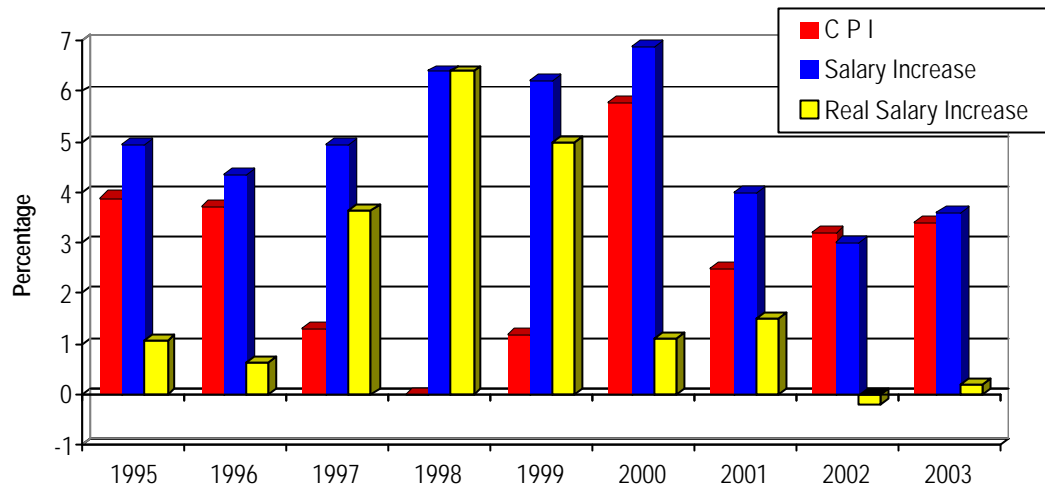
- December 2000 – 59,900
- September 2001 – 17,700
- November 2001 – 14,200
- March 2002 – 10,000
- September 2002 – 8,500
- March 2003 – 7,400

These figures clearly illustrate the reduced demand for IT employees. Over the past two years, salaries for IT professionals have grown on par with, or more slowly than, the salaries of professionals in other business units, indicating the definite stabilisation of remuneration rates for IT professionals.

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REAL SALARY INCREASES: 1995-2003

The average Same Incumbent movement at Nominal Base Salary for the Australian Computing Specialists Industry in April 2003 is 3.6%. This figure is slightly higher than the annualised CPI of 3.4% for the March 2003 quarter. The graph below shows the Real Salary Increase Trend from 1995 to the present.



Note: This survey represents remuneration information for computer specialists working on a permanent basis in IT sites within a range of Australian industries, from IT, to Manufacturing and Banking and Finance.

For further information on the *Australian Computer Specialists Salary Survey* please see CSI's website (<http://www.classalinfo.com.au/Products/default.htm>).

CSI's *Computer Specialists Salary Survey* scientifically examines the salaries and benefits of approximately 13,000 employees in more than 100 companies from a variety of industries.

CSI are Australia's remuneration specialists. We provide remuneration information and advice to more than 600 Australian clients.

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