

Skills shortage claims inaccurate says AIIA

By Stan Beer

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Australia's ICT labour market remains in balance with stable ICT salaries suggesting claims of an overall skills shortage are inaccurate, according to a new survey.

Results from the Australian Information Industry Association's (AIIA's) latest Survey of Salaries and Remuneration Packaging in the Australian ICT Industry showed salary increases of 5.2% over the period March 2005 to March 2006. The findings March 2006 Salary Survey is based on the salaries and benefits information of 33,722 individual employees in leading ICT companies.

The AIIA claims that its Salary Survey is an authoritative source of data on ICT salaries, unlike those based on advertisements. Unlike surveys which monitor print or internet job advertisements, AIIA's Salary Survey captures information on new, existing and departing employees across the breadth of the ICT industry.

"Average salary increases have been close to this level now for three cycles, indicating a measured and stable approach to remuneration management by ICT organisations," says AIIA's chief executive, Rob Durie.

ICT professionals also have more money in their pockets as a result of real salary increases. When compared to CPI, the average real salary increase over the past 12 months was 2.1%, as opposed to the 1.2% reported for August the 2004-2005 period.

"Compared with this time last year, the difference between the cost of living and the average salary increase awarded to staff within the ICT sector has grown, which is good for employees and employers," Mr Durie says.

"As commentators become increasingly vocal about potential skills shortages, these statistics are welcome relief."

Mr Durie says that forecasts for the next year also bode well for ICT organisations and contradict claims that the ICT sector is facing a skills shortage.

"Forecasts for salary increases in the next financial year are approximately 4.0%," he says. "While there is persistent talk of skills shortages in Australia, a tightening labour market and record low unemployment rates, the survey results suggest the ICT labour market is in balance."

AIIA Board Director Ian Birks, who is actively involved with AIIA's skills and workforce initiatives, says that while these modest increases suggest that skills demand may begin to drive salary increases, it appears to be based on specific types of skills.

"The slight salary increases certainly challenges the predictions of a sharp surge in wages to meet skills shortages across the sector," Mr Birks says.

"For the first time in a long time, we're seeing ICT skills listed on the Migration Occupations in Demand List - with 'hot skills' including CISSP, SAP or SIEBEL expertise and calls for professionals experienced in e-commerce or network security.

"While there is consistent talk of potentially serious skills shortages resulting from a reduction in ICT graduates, we're not yet seeing any clear evidence that this is having an impact on salaries. This is something we'll be more likely to see in the long term."