CSi – THE REMUNERATION SPECIALISTS

NEWS RELEASE: Tight labour market finally impacts pay

23rd June 2006: New research by CSi – The Remuneration Specialists reveals Australian employees enjoyed average total salary increases of 6% over the past 12 months as the tight labour market finally starts to impact pay *(note: total salary = base + benefits + performance pay).*

"The new figures from our report show an increasing reliance on pay to retain staff in a market where one in five employees are leaving organisations on a voluntary basis," says CSi's Managing Director, Jairus Ashworth. "This breaks the pattern we have seen over the past few years of contained salary increases and the use of non-financial methods to retain staff."

The June 2006 edition of CSi's *General Industry Remuneration Report* shows that job families experiencing the largest increases over the past 12 months were Human Resources, Support and Marketing with average increases at total salary of 7.3%, 7.1% and 6.9% respectively.

Despite the higher increases in salaries awarded to staff over the past 12 months, organisations are still forecasting an average 4% increase in the total cost of salaries in the upcoming financial year.

"A 4 to 5% increase on total salary spend in the coming financial year is not unrealistic. We are seeing organisations employ a variety of methods to ensure their total salary spend is kept under control," says Mr Ashworth. "For example, organisations are investing in training and development for existing staff, rapidly promoting lower level employees into higher level roles as they become vacant, recruiting staff with fewer qualifications or less experience and lowering head count to increase the salary spend available to existing staff."

One factor contributing to the rise in salary increases is the voluntary staff turnover rate. The June 2006 results show that after a period of stability, voluntary staff attrition has increased by 2%, meaning that a greater number of employees have voluntarily elected to leave their jobs over the past year. The voluntary staff turnover rate now stands at 15.1% for the period June 2005 – 06 after being at 13.1% for the periods December 2004-05 and June 2004-05.

The June 2006 edition of CSi's *General Industry Remuneration Report* is a survey of more than 54,000 employees from 412 Australian organisations. It measures the growth in salaries and benefits for job roles within the senior executive, sales, customer and technical support, marketing, finance, administration, human resources, research and development, manufacturing, information technology and logistics departments of Australian businesses.

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Note:
CSi's Australian General Industry Remuneration Report

This report, published in June 2006, includes information from 54,225 employees from 412 Australian organisations across a broad range of industry sectors including banking, finance, insurance, IT, hi-tech, telecommunications, agriculture, energy, manufacturing, wholesale, retail, and life science. It provides detailed market intelligence to businesses on market remuneration rates for close to two hundred job roles in the Australian market, as well as staff attrition rates, salary market movement percentages and forecasted salary budget figures.

CSi – The Remuneration Specialists

CSi is a specialist remuneration consultancy that provides advice to assist organisations with strategic and operational remuneration activities. With a reputation for excellence and integrity, CSi assists organisations with setting remuneration strategy, designing remuneration policies, sourcing and utilising market remuneration data, and providing training in remuneration management theory and practice.

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