

SALARY SURVEY – EXPECT MODEST INCREASES IN 2003

Thursday 21st November, 2002: Employees hoping to regain some lost ground in the 2003 salary market will be disappointed, according to research by remuneration specialists Classified Salary Information Services (CSI).

The November 2002 *General/Combined Industries Salaries and Benefits Survey* of more than 39,500 salaried employees from 341 Australian companies reveals that most companies are intending to give incumbents moderate increases in 2003, with international economic and political uncertainty acting to keep corporate belts tight.

According to the *Survey*, employees can expect their salaries to increase on average by 3.8 per cent over the next 12 months – a positive outlook in the current economic context.

“No matter how pessimistic the global outlook may be, salaries should rise next year; even if only to keep pay rates ahead of the prevailing rate of inflation,” says CSI managing director Peter Barton.

“We expect salaries to increase by 3.5 to 5.0 per cent in 2003 – a rate which will be 1.0 to 2.0 per cent higher than the anticipated CPI. There are certain industry sectors and job families that will see higher rates, but overall the market is likely to be flat. We are still very much in an ‘employers’ market.’ ”

Average employee remuneration packages increased by 5.6 per cent over the 12 months to November 2002 (with a range between 1.0 and 6.0 per cent), a decrease from the average 7.2 per cent increases awarded over the year to November 2001.

A quarter of incumbent employees in the *Survey* received no salary increase in 2002, indicating that some companies are still trying to avoid making redundancies by reducing operating costs, while others have given staff quite substantial increases.

The banking and finance industry proved its resilience, rewarding staff with higher-than-average increases, while computer and high technology companies tipped the other end of the scale with average total remuneration increases between 3.5 and 5.0 per cent.

Some organisations have undertaken rationalisation programs; identifying key staff and using provisions within salary budgets to retain them. Candidates receiving sizeable increases include human resources professionals, who received 6.8 per cent (average) increases in 2002.

ENDS

Note: For further commentary and analysis see *The Pay Market in 2003* report available on CSI's website (<http://www.classalinfo.com.au/CSiNews/default.htm>).

CSI's *General/Combined Industries Salary Survey* is corporate Australia's largest remuneration survey, with more than 39,500 employees accounted for. CSI are Australia's remuneration specialists. We can provide information or advice about all remuneration issues, from executive pay to global pay practices.

For further information please contact;

Mr Peter Barton

Managing Director on (02) 9415 3455

Ms Erica Holburn

Marketing Communications Officer on (02) 9415 3455 or 0404 139 650

Mr Jairus Ashworth

Professional Services Manager on (02) 9415 3455 or 0414 893 621