

REMUNERATION REVIEW

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INTRODUCING CSi'S ONLINE DATA CENTRE

November 2004 will see the official launch of CSi's new online data services, known as the 'Data Centre'. Designed to assist clients with their remuneration data requirements, data analysis and data reporting, the Data Centre is a necessary tool for all remuneration and benefits professionals.



"We are really excited about the launch of this new technology," said Jairus Ashworth, CSi's Chief Operating Officer. "The Data Centre has been specifically developed to provide our clients with instant online access to the remuneration data they require in the format they require it."

By subscribing to the Data Centre, clients will have the facility to view and download remuneration survey data in a variety of formats, including remuneration tables, compa-ratio reports (which compare employees' remuneration rates with the market for their particular roles) and 'data dump' reports (where market remuneration data is displayed at various percentiles). Data can be downloaded for a single role, a job family, or for all positions in a survey.

The Data Centre also allows clients to 'cut' the market data according to the filter options that appears in their remuneration surveys. For example, within the General/Combined Industries Survey average remuneration rates are reported by industry, organisational size and state/territory. Data Centre subscribers will be able to view these cuts of data at various percentiles and then generate reports based on these cuts.

"The functionality within the Data Centre is specifically related to letting clients customise the market data according to their own organisational needs," said Terry McCracken, CSi's Data Centre Developer.

CSi will be progressively inviting all current survey subscribers to a free afternoon tea and Data Centre demonstration session. The session will be attended by a maximum of ten clients so that each attendee can personally test drive the new technology.

To subscribe to the Data Centre, or to attend a free afternoon tea/demonstration session, please contact Christine Rulli, CSi's Office Administrator/Sales Support, on 61 2 8440 6500 or crulli@classalinfo.com.au.

CSi – Your Remuneration Specialists

STAT WRAP

Driven by a strengthening global economy, forecasts depict continued economic growth throughout the coming financial year, combined with low unemployment and inflation.

- CPI is 2.3% annualised to September 2004*;
- September's unemployment rate was 5.6%*;
- Newspaper job ads fell by 1.8% in September 2004 following a 4.0% increase in August 2004. These figures are still 2.3% higher than this time last year (ANZ Job Ad Series);
- "Strong economic growth is expected to push unemployment further down which will see skill shortages become more acute forcing wages under increasing upward pressure." (ANZ Economic Snapshot, Sept Qtr. 2004).

**Source: Australian Bureau of Statistics.*

IT SPOT

IT staff received average Nominal Base Salary increases of 5.0% in the year to Nov 2004.*

- The number of IT & T jobs advertised rose by 4.3% in September 2004 according to the Olivier Internet Job Index, Robert Olivier points primarily to software development for the growth;
- The DEWR ICT Vacancy Index increased by 8.1% over the four weeks to mid September;
- The Hudson Report shows 40.0% of IT employers expect to increase staffing levels for the December 2004 quarter, this represents a 9.6% increase on the same period last year.

**Source: CSi's Computer Specialist's Salaries & Benefits Survey November 2004.*





EDITOR'S MESSAGE

CSI is abuzz with activity. In amongst normal business activities, we are in the midst of launching our new online technology, The Data Centre. Business growth has allowed the creation of a new role and we are in recruitment mode.

This edition of Remuneration Review presents, alongside our regular columns, a feature article on the superannuation legislation that will impact all organisations from July 1, 2005.

Please email any feedback or suggestions to: natashae@classalinfo.com.au

Natasha Edwards
Rem & Benefits Specialist

SKILLED VACANCIES

The Department of Employment and Workplace Relations' Skilled Vacancies Index increased by 0.1% in October 2004 to 116.6, representing a 4.3% increase on the same time last year.

Vacancies for Professionals rose by 1.8%, Trades and Associate Professionals fell by 0.2% and 5.8% respectively.

REMSYS

CSI's salary review software allows organisations to manage their salary reviews by automating all operational aspects of the salary review process.

Log onto: www.csirem.com.au for a demonstration.



CSI - AN 'EMPLOYER OF CHOICE'

On joining CSI, former client and newest employee, Nigel Gray - Melbourne Practice Manager recently remarked,

"As a Corporate Remuneration Manager I had a long and close association with CSI - they provided me with invaluable remuneration data and consulting services. I always found CSI to be an absolutely professional outfit, providing a very proactive and timely consulting service with an enthusiastic, approachable and well informed team. Having recently joined CSI, it is with great excitement (and relief) that I am able to say that the company is every bit on the inside what it was to me on the outside. We share enormous motivation and passion for what we do and as a team always strive to provide the very best service to our customers, challenge everything we do, and have a great time in the process."

Being a service oriented business, CSI's management team acknowledges that talented and motivated employees are central to providing excellent customer service and innovative remuneration solutions to clients. As a result, there is a strong emphasis within the company on maintaining 'Employer of Choice' status.

Recent initiatives implemented by CSI Management in this area of employee attraction, retention and motivation include:

- The implementation of CSI's new Parental Leave Policy, which includes six weeks paid parental leave for the primary carer and one week paid parental leave for the secondary carer.
"This policy was modelled on market statistics gained from our 2004 Parental Leave Report which presented the parental leave offerings and return to work policies of 110 Australian organisations," said Jairus Ashworth, CSI's Chief Operating Officer. "This policy will be instrumental in ensuring that we retain our specialist remuneration, business, and operational knowledge. It is also geared towards acknowledging the value we place on work/life balance."
- The establishment of the CSI 'Rem Warriors' soccer team to compete in the Anderson Events Soccer Competition, a lunch-time battle that takes place on Bales Park in Chatswood. Fierce competitors in the contest include teams from Vodafone, National Australia Bank and Promina.
"There is nothing like a good sports match to enhance team bonding," said Peter Barton, CSI's Managing Director. "It is also my belief that increased employee health and fitness leads to a more productive workforce."
- The enrolment of a number of female members of staff in the Xplore program (www.xplore.net.au), a mentoring program, which provides a unique opportunity for women to develop their career resiliency skills.

CSI is currently recruiting for the newly formed Remuneration Administration Specialist role. The role is full-time and is responsible for ensuring the accuracy of salary survey data sent to CSI by clients; analysing and resolving data errors and anomalies received from clients; preparing remuneration data trend reports; and performing ad-hoc research.

CSI is also recruiting the role of Remuneration & Benefits Specialist. This role is responsible for providing remuneration advice, leading the development of industry specific salaries and benefits surveys, and conducting customised remuneration consulting exercises on behalf of CSI clients.

THE IMPACT OF RAPIDREM

CSI officially released RapidRem, data collection software, in May 2003. Eighteen months down the track we are now beginning to see the positive effects the software is having on our remuneration databases.

"RapidRem has significantly contributed to the growth of the salaries and benefits databases for each of CSI's surveys," said Brent Kennedy, a member of CSI's survey processing team.

On average, subscribers to the Telecommunications Industry Survey and the Diagnostics, Medical De-



CSI's newly formed soccer team: (L - R Back Row) Nick Woodward, Brent Kennedy, Andrew White, Paul Wright. (L - R Front Row) Christine Rulli, Mia Pearce, Penny Fox, Michelle Ryan.

vices and Scientific Products Survey are providing 35% and 15% more data respectively.

Clients providing data to the Australian Top Executive Remuneration Report are providing 83% more data, and ACEA Consulting Engineering Survey subscribers are providing 4% more data on average.

"Everyone knows the age old saying - 'the greater the data pool, the more reliable the data'," commented Mr Kennedy. "It is a good feeling to produce results for clients based on such a great depth of data."



CHOICE OF SUPERANNUATION FUND – CONTROL OR CHAOS IN THE WORKPLACE?

CERTAINTY
financial

The Australian Government's 'Choice of Superannuation Fund' proposal has finally become a reality. From 1 July 2005, employees will be entitled to nominate a complying super fund of their choice that employers will be obliged by law to support. For the first time, employers will lose the control they have held over the superannuation arrangements in place for their employees. But will an environment of Choice create the chaos that many employers fear? Mike Smith - Certainty Financial's Director of Corporate Superannuation provided us with some advice.

"Losing control doesn't mean workplace superannuation can't be managed effectively" said Mike Smith, Director of Corporate Superannuation at Certainty Financial. "But employers that fail to address the potential impact of Choice in their workplace will expose themselves to a range of significant problems – not the least being the financial penalties the ATO will impose for non-compliance".

"To some extent, Choice legislation is the superannuation industry's version of Y2K" explained Mr Smith. "Choice represents the most significant change in superannuation since the introduction of compulsory super in 1992. Whether it launches with a big bang or a fizz is largely irrelevant, particularly to the ATO. The fact is, employers will need to demonstrate that they have taken appropriate steps to prepare for the introduction of Choice and are actively fulfilling their part of the deal post-July 2005."

Preparing for Choice represents more than simply embedding employer obligations into HR & Payroll processes. The potential for chaos is likely to occur at two levels - in the payroll processes (disbursing contributions to numerous funds) and in the delivery of advice at an employee level.

Mr Smith suggests that some superannuation funds

and payroll service providers will deliver disbursement or clearing house solutions, but it is too early to predict how much relief these services will provide employers or how much these services will cost.

Financial education and advice at an employee level in many ways represents the most challenging aspect of Choice for employers and, for that matter, superannuation funds.

"Unfortunately, there will be a lot of inappropriate advice in a Choice environment, particularly from aggressive financial planners," Mr Smith explained. "Choice at an employee level will be about a victory of perceptions – not product. Employers will need to reassess how they deliver trusted, third-party advice into the workplace."

To help employers prepare for Choice, Certainty Financial has developed a 9 point plan. This will ensure employers retain control over how superannuation is delivered, while reducing the elements of chaos that could otherwise creep into their operations.

"We want to urge employers not to leave their preparation for Choice too late, or else they may find themselves without access to considered advice and expose themselves to non-compliance penalties. Reputable superannuation consulting firms will be difficult to engage in the final months leading up to July 2005," advised Mr Smith.

Certainty Financial is a corporate advisory firm that specialises in superannuation and group insurance solutions. For more information on how Certainty Financial can help you prepare for Choice please go to www.certainty.com.au or contact Mike Smith on (03) 9890 0222.

RR

NZ STATISTICS

- CPI in the September 2004 quarter increased by 0.6%.
- The unemployment rate for the June 2004 quarter was 4.0%.
- The June 2004 quarter labour force participation rate was 66.7%.
- ANZ Job Ads series recorded a 0.9% increase in total job advertisements in September to 48,504 seasonally adjusted. Internet job advertisements drove the monthly rise with an increase by 3.7%, while newspaper job advertisements fell by 0.2% in September.

EXECUTIVE DEMAND

After rising 11% in the previous quarter, the E.L Index fell 10% in September due specifically to the election campaign.

Demand in the government sector fell sharply as the Federal Government went into 'caretaker' mode, while demand in the business sector also fell as companies held off on new appointments until the election result was known.

The Coalition's overwhelming victory in the federal election is set to boost demand for Australian executives, according to the E.L Executive Demand Index.

'The economy and employment growth thrives under stability, and the win delivers that over the short-term,' said Mr Grant Montgomery, Managing Director of E.L Consult and publisher of the E.L Index.

CSI SERVICES UPDATE

CSI's Remuneration Services Team has conducted several major projects recently, including:

- Job Evaluation and review of existing salary banding for a medium sized 'not-for-profit' organisation.
- An in-depth analysis of current work practices with a focus on retention and development opportunities for key professional staff within the life insurance industry.
- Preparation of salary ranges for incentive eligible New Zealand based employees within a leading IT vendor organisation.

- Benchmarking of Financial Planning Practice Development positions within the finance sector.
- A review of a regional bank's pay structure and certified agreement.
- Provision of market remuneration rates for sales and technical roles within the imaging/radiographics and medical devices sectors.

To discuss how CSI's services team might meet your needs, phone Jairus Ashworth on 61 2 8440 6500 or email: consulting@classalinfo.com.au.



OPTIMISTIC HIRING INTENTIONS

Of 7,688 employers surveyed by Hudson, 35.6% indicated that they anticipate increasing their staffing levels over the coming three months (October - December 2004), whilst 57.9% of employers indicated that they would make neither increases or decreases.

Sector	% employers creating new jobs
Professional Services	42.0%
Manufacturing	22.0%
Telecommunications	44.0%
Information Technology	40.0%
Wholesale/Distribution	27.0%
Financial Services/Insurance	29.0%
Advertising/Marketing/Media	31.0%
Transport	25.0%

BENEFITS REPORT 2004

CSI's recently released 2004 Benefits Report shows that flexible salary packaging is available to the majority of staff within organisations. However, there is a slightly higher occurrence of packaging being made available to Senior Management (83% of organisations) as opposed to general staff (77% of organisations). Salary packaging is also more likely to be available in larger organisations for both groups of employees.

According to the survey of 138 Australian organisations, indications of the benefits most commonly offered to staff for salary packaging show that Senior Management receive access to cars and additional contributions to superannuation more often than other types of benefits. General staff are also most likely to be provided access to packaging cars and additional contributions to superannuation as well as laptops.

For more information on CSI's Benefits 2004 Report, contact Paul Wright on 61 2 8440 6500 or pwright@classalinfo.com.au.

CSI WELCOMES NEW CLIENTS

CSI would like to formally welcome the clients that have joined our salaries and benefits surveys or utilised our remuneration services since September, including:

Christchurch City Council
 Paraquad NSW
 PepsiCo International
 Optima Technology Solutions Pty Ltd
 Galileo Southern Cross
 Rabobank
 Nippon Express (Australia) Pty Ltd
 Johnson & Johnson, Medical
 Factiva
 Relationships Australia NSW

SURVEYS FOR RELEASE

NOVEMBER

Australian Computer Specialists
 Defence Systems Engineers
 General Insurance Industry
 General/Combined Industries

FEBRUARY

ACICG
 ITIS
 Telecommunications Industry
 New Zealand IT & T
 Australia Biotech Industry

SURVEY REMUNERATION FORUMS

FEBRUARY

ACICG
 Australia Biotech Industry

REMUNERATION TRAINING SESSIONS

REMUNERATION APPLICATIONS

Melbourne 12th November

HOW TO USE SALARY SURVEYS

Sydney 15th December

In-house training sessions upon request!

HR SPOTLIGHT

Frank Sedmak

General Manager, Human Resources
 The Spastic Centre



For the past two years Frank Sedmak has worked closely with CSI to develop the Non Government Organisations (Not For Profit) Remuneration Survey. We took time out from survey matters to talk to Frank about his career and life outside of work.

How does the NGO Industry compare to other industries you have worked in?

Having worked in every HR role known to man (and woman!) in retail, banking, IT, manufacturing, transport, education, local, state and federal government over the past 30 years, the NGO sector is by far the most challenging sector from a human resources management perspective. Whilst remuneration is important, people working in the sector are motivated by organisational climate and values, who they are working with, and how their work contributes to the overall mission of the organisation. Building strategies that take care of those things does exercise the grey matter!

Describe some career highlights.

Introducing the first non-union Enterprise agreements for dementia specific direct carers and AWAs for Registered Nurses into the NSW Aged Care sector.

In regards to the Disability sector, being part of a team (which includes CSI) that has introduced the first comprehensive annual NGO remuneration survey and with Macquarie University, introducing annual employee climate surveys into The Spastic Centre as part of a longitudinal study of the NGO sector.

What's your work/life philosophy?

Don't worry, be happy!

How do you spend your time outside of work?

I spend time with the family, I watch sport (and even participate in sport, at times!), and I watch movies. I love my ABC radio and TV, as well as reading the SMH. Don't mind a good biography, either.

Frank is tertiary qualified with a Bachelor of Business (Business Administration) and Graduate Diploma, Employee Relations (Industrial Law). Frank has also completed the Certificate IV in Workplace Training & Assessment.



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