

## IT SALARY INCREASES REMAIN MODERATE – NEW REPORT

**Tuesday 11th March, 2003:** IT professionals will be receiving modest salary increases over the next 12 months according to new research by the AIIA and CSi, indicating that while the salary market is subdued, it is not in retreat.

The March 2003 *AIIA Survey of Salaries and Remuneration in the Australian Information Industry*, produced by remuneration specialists Classified Salary Information Services Pty Limited (CSi) on behalf of the Australian Information Industry Association, shows that organisations are anticipating average salary increases of 3.5 per cent over the next 12 months.

According to the survey, IT incumbents received average Total Remuneration increases of 4.1 per cent over the year to March 2003, while the median increase was 2.0 per cent. This compares to the average remuneration increase of 4.6 per cent reported in the March 2002 survey. The new data shows employees are still receiving small 'real' remuneration increases because average rises are above the annual rate of inflation of 3.0 per cent.

A more dramatic decline can be seen in data for those companies recruiting new employees. The survey-on-survey data reveals that salary increases for new recruits have dropped from 5.2 per cent in 1997 to just 1.3 per cent in March 2003. (See 'Definitions' at end of document).

"Previously inflated IT salaries are now being brought into line with salaries in other job families," says CSi managing director Peter Barton. "The rationalisation occurring in the industry is reflected in the current subdued salary data and low involuntary staff attrition rates. It's still an employers' market."

The survey of more than 28,000 employees at 118 Australian IT organisations also reveals that while some roles are still commanding healthy increases, other roles in the IT salary market have not fared so well.

Employees in technical roles such as senior programmers (5 per cent), analyst programmers (2.8 per cent), call response centre managers (4.3 per cent), mainframe systems engineers (5.6 per cent), test analysts (6.0 per cent), and small projects managers (6.0 per cent) have all received good increases over the past 12 months.

Roles coming under pressure include those in e-Business (which reported an average decline of 1.1 per cent); technical writers (-2.8 to -3.5 per cent); senior support engineer – mid-range server (-0.9 per cent); and the senior pre-sales support specialist (-0.1 per cent).

Involuntary staff attrition (including redundancies) has fallen from 18 per cent of the IT workforce in August 2002 to just 5.2 per cent of the IT workforce (annualised to March 2003). Over the past 12 to 18 months, those job families under the most pressure have included sales and marketing (44 per cent of organisations reported redundancies in this area); IT (40 per cent); and Customer Support (32 per cent).

**ENDS**

#### **Definitions:**

**The Same Incumbent (SI) movements:** reflect the overall average and median movements at various remuneration aggregates as reported by contributors in their data submission – ie. data for incumbents in the same position this year and last.

**Survey-on-Survey (SOS) movements:** are simply a calculation of the annual movement in Nominal Base Salary, Total Remuneration Cost and Total Fixed Remuneration rates as reported in the annual cycle within this Survey. Comparisons are made between the average rates reported on the relevant survey tables between March 2002 and March 2003. SOS movements reflect increases for people in the same position this year and last as well as new hires.

**Note:**

*CSI are remuneration specialists. We conduct 20 industry-specific salary surveys in Australia and New Zealand and provide remuneration consulting services ranging from executive compensation advice to remuneration technology services.*

For further information please contact:

*Mr Peter Barton*

Managing Director on (02) 9415 3455

*Ms Caroline Hill*

Client Services Team Leader on (02) 9415 3455

*Mr Jairus Ashworth*

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

*Ms Erica Holburn*

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

Or go to [www.classalinfo.com.au](http://www.classalinfo.com.au)