

MEDIA MONITORING

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Recruit

Contractors doing it tough in IT downturn

Permanent workers have had small wage rises, reports **David Adams**.

IT contractors are being paid less, with only five of 25 contractor positions surveyed posting increases in the past year, according to a recent poll. The survey, by Classified Salary Information Services Pty Ltd (CSI), found that pay rates for positions such as senior systems analyst were down as much as 19 per cent over the year to March, senior network specialists were down 16 per cent and project managers down 14 per cent.

The few contractor positions that have had pay rises include business analyst (up 24 per cent), technical specialist-network architect (up 9 per cent) and systems analyst (up 2 per cent).

Peter Barton, managing director at CSI, said the decreasing salaries were related to supply and demand.

"There's not that many projects around and there are hundreds of people willing to do the work," he said.

Barton said anecdotal evidence showed the "risky" nature of contractor work was driving some contractors into permanent positions.

Another CSI study found good news when it comes to salaries for incumbent IT employees. According to CSI — which calculates average salaries based on the salary packages of some 13,891 IT employees — base salaries have increased by an average of 3.6 per cent over the year to April while the value of total remuneration packages has increased by 4.1 per cent.

REAL SALARY INCREASES 1995-2003

	CPI	SALARY INCREASE	REAL SALARY INCREASE
1995	3.9	4.95	1.05
1996	3.7	4.34	0.64
1997	1.3	4.94	3.64
1998	0	8.39	8.39
1999	1.2	6.2	5.0
2000	5.8	6.9	1.1
2001	2.5	4.0	1.5
2002	3.2	3.0	-0.2
2003	3.4	3.6	0.2

SOURCE: CLASSIFIED SALARY INFORMATION SERVICES

The data shows that IT employees working in the banking, finance and insurance industries have received the highest salary increases over the year to April, with total remuneration packages rising 6 per cent.

Those working in the computer and high-tech industry, meanwhile, received average increases of only 3 per cent.

CSI says the salary findings are at odds with those in the recent IT Skills Hub market monitor report, which calculates its statistics based on data in job advertisements.

While confirming the report's finding that average contractor rates had fallen substantially over the six months to the end of 2002 (down 11.1 per cent to \$46 per hour), they disputed findings showing that average IT salaries had also decreased by as much as 4.8 per cent over the same period.

"For those staff in permanent employment, their pay couldn't have gone backwards. It's virtually impossible to decrease people's salary," Barton said. "Where there have been increases, the increases

have been modest — but they have been there."

But Barton noted that the current "employers' market" meant the rates of pay offered to attract new employees are lower than in the past.

Brian Donovan, chief executive of the IT Skills Hub, said he was "really surprised" by CSI's response to the IT Skills Hub report. "We really ought to be able to talk with one voice on these kinds of issues. Neither the subjective survey or the job-based data survey is going to be 100 per cent accurate, but both contribute something to understanding the marketplace..." he said.

Donovan said that despite the drop in average salaries IT Skills Hub figures showed, the data also revealed that the average IT salary was still \$74,560. "We reckon its about \$30,000 higher than the average Australian's salary."

According to IT Skills Hub's data, the first quarter of this year showed a 5.8 per cent decline, in contrast to the 34.5 per cent down-turn experienced in the last six months of last year.

Staff at CSI agreed that the IT industry appeared to have "weathered the brunt of the storm".

The company's statistics show that organisations are generally anticipating average annual salary increases of about 3.6 per cent for their IT employees. Job demand appears to be concentrated more toward applications and development.

Nick Woodward of CSI said that among those skills most in demand are those relating to business intelligence, incorporating data warehousing, and CRM.