

Signs the ICT Salary Market is Thawing



April 2010



contents

1. Introduction.....	1
2. Methodology.....	1
3. The Current Market.....	2
4. Summary of Key Findings.....	3
5. Permanent Roles - Key Findings	4
6. Contract Roles - Key Findings.....	8
7. About Us.....	10

1

introduction

Welcome to the Absolute IT – Salary Report. This report has been developed in the interests of employers and employees drawing data from the 14,200 plus anonymous entries into the IT Salaries website.

www.itsalaries.co.nz

Released every six months the report provides a comprehensive insight into real time salary and contract rates being paid in the NZ ICT industry today.

2

methodology

The Absolute IT – Salary Report captures real-time Contract and Permanent employee's remuneration details as entered into www.itsalaries.co.nz

35% (14,200) of the estimated 40,000 ICT workers in New Zealand work-force have entered their remuneration details anonymously into IT Salaries, an increase of 24.6% since the last survey in October 2009. On average there are 100 new salary profiles posted by New Zealand IT professionals each week.

The survey asks 15 anonymous questions. To ensure accuracy

and a direct comparison against industry peers there are no 'free text' variables other than when confirming one's exact job title. All other questions are answered by selecting the multiple choice drop down menus.

Of the 14,200 plus participants to the survey, there were seven Levels of Education, seventy five Industry Groups, and seven Types and Size of Current Employer. In addition, participants were also asked to confirm their Gender, Number of Years Experience and the Number of People Managed or Supervised.

3

the current market

General sentiment amongst the leading players in the recruitment industry tends to paint an increasingly rosier picture.

Most recruiters acknowledge that permanent recruitment activity has improved which is being led by a more significant need for specialist contractors.

The latest salary data from itSalaries.co.nz concludes the following two major points:

1. ICT Contractor Rates Have Returned To Pre-Recession Levels

The median contracting rate has increased 12.5% in the past 6 months, up \$10.00 per hour from \$70.00 to \$80.00 per hour. In our last survey we reported a decrease of 12.5%; therefore this would indicate contractor rates are returning to their pre-recession levels. This indicates positively that the market has turned for the better.

2. Permanent ICT Salary Packages Begin to Rise

The Median Total Salary Package within the New Zealand ICT Industry is now \$78,000 - an increase of \$2500 (3.3%) in total package value over the last six months.

3. The Chilling Effect of the Salary Freeze

Our past two surveys recorded no upward movement in salaries in the past 12 months. The October 09 survey recorded drops in both permanent and contract remuneration compared to the 6 months prior. This current report records an increase in the medium hourly contract rate, back to October 09 levels, but no change in permanent remuneration, however the overall permanent package being paid has increased.

With this in mind a significant proportion of people have not had a pay review or increase in the past 12-18 months. Our January 2010 Employee Intentions Report recorded that over 67% of the 3800 respondents would be looking to move roles in the coming year, 38% were looking but would wait until the right role came up, another 32% were actively looking at that point.

Comparing the results of the two surveys provides a clear picture as to the future six months and beyond, with vacancy numbers increasing. With high numbers of employees dissatisfied with current remuneration levels and seeking improvement on this, we predict the increase in the demand for talent will in turn drive remuneration rates up.

These professionals could command salary rises of between 2-7 percent over the next year depending on skill level and the number of year's experience.

4

summary of key findings

- The total number of salaries and contract rates captured since September 2008 equals 14,200
- Permanent salaries entered – 11,700 – an increase of 2,452 salaries since October 2009
- Contract/Part-time/Casual/Interim rates entered – 2500 – an increase of 429 since October 2009
- The base median salary offered of \$75,000 has not changed in the past 6 months as measured against the 12 month total period. That said, the total value of overall employment packages have increased by \$2,500, from \$75,500 to \$78,000, indicating that performance based salary incentives were more prevalent in the last six month period.
- The median contracting rate has increased 12.5% in the past 6 months, up by \$10.00 per hour.
- The median contract offered is now \$80.00 per hour up from \$70.00 per hour against the 12 month total period.
- More permanent and contract employees are being offered flexible working hours

5

permanent roles - key findings

- Permanent salaries entered – 11700 – an increase of 2,452 salaries since October 2009
- There has been no change in the past 6 months of the base median salary offered of \$75,000 as measured against the 12 month total period
- Total value of overall employment packages have increased \$2,500, from \$75,500 to \$78,000

Our past experience is an important barometer in today's market. Our records suggest an increase in permanent recruitment activity follows 4-6 months after a surge in contracting needs.

With this in mind we may expect this could signal a clear return to business confidence with companies bolstering permanent headcount for future initiatives, easing the load on arguably over worked staff or replacing contractors.

All the signs show that there is a steadily growing demand for talent, that growth raises questions which relates to supply and demand and static pay rates.

Benefits

The past 6 months has seen little change to benefits offered to permanent employees, however, where there have been recorded changes, these have been more positive than negative.

Mobile Phone / Allowance has increased to 38%, the highest recorded percentage since our records began in September 2008.

This would point to an increased requirement for employees to more accessible to their employers and clients during and outside of normal business hours.

Flexible Working Hours recorded a 3% increase from our last survey, returning to 28%, which would indicate some employers are seeing the benefit of offering more flexibility for their permanent employees.

Paid Carparks decreased 2%, which may indicate further cost cutting by employers or less new employees being offered this benefit on taking a new position.

Benefits Received (permanent employees)	% of your peers who receive benefits			
	Sept 08 – March 09	Apr 09 – Sept 09	Oct 09 - Mar 10	% Change since last report
Mobile Phone / mobile allowance	34%	37%	38%	1%
Flexible Working Hours	30%	25%	28%	3%
Company Paid Training	29%	25%	26%	1%
Health Care Subsidies	26%	23%	25%	2%
Car Park	24%	24%	22%	-2%
Overtime Payments	12%	11%	11%	n/c
Additional Superannuation	11%	9%	10%	1%
Car and/or Car Allowance	9%	9%	10%	1%
Extra Annual Leave	9%	10%	9%	-1%
Gym/Health Club Membership	7%	6%	7%	1%
Stock Options	5%	5%	6%	1%
Child Day Care	1%	1%	1%	n/c

Permanent Salaries – Still Frozen?

In our last report Trainers had suffered a 10.9% reduction in salaries, however, they seem to have recovered with across the board increases recorded since October 2009.

Some employers have seen the benefit of having trainers with inside knowledge of the company on the payroll, as opposed to outsourcing their training needs.

Software Architects were enjoying some significant increases in our last report, however, these now appear to have slowed, with a significant 19.9% reduction in the Upper Quartile salary band, and lesser reductions in the Lower and Medium Quartile.

Web / Multimedia Designers have seen an increase across the board, after recording losses in our previous report. This could well be a direct reflection of businesses taking the time to review their web and multimedia functions to ensure they are not being left behind their competitors as the market begins to turn.

Technical Writers are also enjoying an increase, with the median salary offered up 14.4% to \$71,500.

Over the coming months we envisage a strong demand across the board for Project Managers, Business Analysts, Architects, Developers and Testers. This increased demand will see employers requiring reviews of the salaries paid in order to ensure they are getting the best people the market has to offer. We believe specialist skills in SAP, SAAS and BI will continue to be difficult to find.



Permanent Salary Data (Base Salaries) – September 2008 to March 2010

Title	Date Range	Lower Quartile \$	% Change	Medium Quartile \$	% Change	Upper Quartile \$	% Change
Architect	09/08 – 03/09	100,000		110,000		126,000	
	04/09 – 09/09	99,500	-0.5%	110,000	0.0%	125,000	-0.8%
	10/09 – 03/10	99,500	0.0%	110,000	0.0%	130,000	4.0%
Business Analyst	09/08 – 03/09	68,500		80,000		90,000	
	04/09 – 09/09	66,000	-3.6%	77,500	-3.1%	88,000	-2.2%
	10/09 – 03/10	66,500	0.8%	77,500	0.0%	90,000	2.3%
Consultant BI/CRM	09/08 – 03/09	75,000		88,000		101,500	
	04/09 – 09/09	75,000	0.0%	90,000	2.3%	104,000	2.5%
	10/09 – 03/10	75,000	0.0%	85,000	-5.6%	100,000	-3.8%
Consultant ERP/Supply	09/08 – 03/09	70,000		90,000		104,000	
	04/09 – 09/09	70,500	0.7%	80,000	-11.1%	105,000	1.0%
	10/09 – 03/10	75,000	6.4%	85,500	6.9%	110,000	4.8%
Consultant	09/08 – 03/09	74,500		90,000		115,000	
	04/09 – 09/09	75,500	1.3%	100,000	11.1%	118,000	2.6%
	10/09 – 03/10	76,000	0.7%	95,000	-5.0%	110,000	-6.8%
Data Record Management	09/08 – 03/09	52,000		60,500		65,500	
	04/09 – 09/09	49,000	-5.8%	55,000	-9.1%	80,000	22.1%
	10/09 – 03/10	49,000	0.0%	56,000	1.8%	72,500	-9.4%
DBA Database Developer	09/08 – 03/09	70,000		80,000		92,000	
	04/09 – 09/09	70,000	0.0%	80,000	0.0%	86,500	-6.0%
	10/09 – 03/10	70,000	0.0%	80,000	0.0%	90,000	4.0%
Hardware Engineer	09/08 – 03/09	41,000		51,000		65,000	
	04/09 – 09/09	38,000	-7.3%	45,000	-11.8%	64,500	-0.8%
	10/09 – 03/10	36,000	-5.3%	47,000	4.4%	70,000	8.5%
Help Desk/Support	09/08 – 03/09	41,000		47,000		55,000	
	04/09 – 09/09	39,500	-3.7%	45,000	-4.3%	53,000	-3.6%
	10/09 – 03/10	40,000	1.3%	45,500	1.1%	53,000	0.0%
IT Security	09/08 – 03/09	70,000		90,000		115,000	
	04/09 – 09/09	65,000	-7.1%	81,500	-9.4%	120,000	4.3%
	10/09 – 03/10	70,000	7.7%	83,000	1.8%	115,000	-4.2%
Management	09/08 – 03/09	87,000		105,250		130,000	
	04/09 – 09/09	85,000	-2.3%	110,000	4.5%	133,000	2.3%
	10/09 – 03/10	88,000	3.5%	109,000	-0.9%	130,000	-2.3%
Network Administration	09/08 – 03/09	51,500		63,000		70,000	
	04/09 – 09/09	48,500	-5.8%	57,250	-9.1%	68,000	-2.9%
	10/09 – 03/10	50,000	3.1%	57,000	-0.4%	66,000	-2.9%
Network Engineer	09/08 – 03/09	53,500		68,500		80,000	
	04/09 – 09/09	50,000	-6.5%	65,000	-5.1%	80,000	0.0%
	10/09 – 03/10	55,000	10.0%	66,250	1.9%	80,000	0.0%
Project Manager / Team Leader	09/08 – 03/09	82,000		98,250		113,000	
	04/09 – 09/09	78,000	-4.9%	95,750	-2.5%	110,500	-2.2%
	10/09 – 03/10	79,000	1.3%	95,000	-0.8%	110,000	-0.5%



Permanent Salary Data (Base Salaries) - September 2008 to March 2010 cont.

Sales Exec / Account Manager	09/08 - 03/09	60,500		85,000		110,000	
	04/09 - 09/09	60,000	-0.8%	80,000	-5.9%	120,000	9.1%
	10/09 - 03/10	60,000	0.0%	80,000	0.0%	110,000	-8.3%
Software - Analyst Programmer	09/08 - 03/09	60,000		72,000		83,000	
	04/09 - 09/09	54,500	-9.2%	66,500	-7.6%	78,500	-5.4%
	10/09 - 03/10	57,000	4.6%	70,000	5.3%	80,000	1.9%
Software Architect	09/08 - 03/09	89,000		102,000		120,000	
	04/09 - 09/09	99,500	11.8%	108,500	6.4%	156,000	30.0%
	10/09 - 03/10	92,000	-7.5%	103,000	-5.1%	125,000	-19.9%
Software Developer	09/08 - 03/09	55,500		70,000		85,000	
	04/09 - 09/09	52,000	-6.3%	65,000	-7.1%	80,000	-5.9%
	10/09 - 03/10	55,000	6.0%	70,000	7.7%	81,500	1.9%
Systems Administration	09/08 - 03/09	55,000		64,500		75,500	
	04/09 - 09/09	53,000	-3.6%	64,250	-0.4%	73,000	-3.3%
	10/09 - 03/10	54,000	1.9%	65,000	1.2%	75,000	2.7%
Systems Analyst	09/08 - 03/09	57,000		71,750		82,000	
	04/09 - 09/09	52,500	-7.9%	66,500	-7.3%	75,000	-8.5%
	10/09 - 03/10	54,500	3.8%	62,500	-6.0%	75,000	0.0%
Systems Integration	09/08 - 03/09	66,500		79,750		90,000	
	04/09 - 09/09	66,500	0.0%	79,500	-0.3%	100,000	11.1%
	10/09 - 03/10	66,500	0.0%	78,500	-1.3%	100,000	0.0%
Technical Writer / Documenter	09/08 - 03/09	54,500		70,000		77,000	
	04/09 - 09/09	55,000	0.9%	62,500	-10.7%	75,000	-2.6%
	10/09 - 03/10	56,000	1.8%	71,500	14.4%	80,000	6.7%
Testing and Q.A	09/08 - 03/09	60,000		70,000		85,000	
	04/09 - 09/09	55,000	-8.3%	68,000	-2.9%	88,000	3.5%
	10/09 - 03/10	55,000	0.0%	70,500	3.7%	85,000	-3.4%
Trainer	09/08 - 03/09	55,000		60,000		65,000	
	04/09 - 09/09	49,000	-10.9%	55,500	-7.5%	62,000	-4.6%
	10/09 - 03/10	55,000	12.2%	58,500	5.4%	68,500	10.5%
WAN/Telecommunications	09/08 - 03/09	56,000		61,000		110,000	
	04/09 - 09/09	52,000	-7.1%	80,250	31.6%	95,500	-13.2%
	10/09 - 03/10	50,000	-3.8%	75,500	-5.9%	105,000	9.9%
Web/Multimedia Designer	09/08 - 03/09	40,000		51,000		68,500	
	04/09 - 09/09	40,000	0.0%	46,500	-8.8%	60,500	-11.7%
	10/09 - 03/10	44,000	10.0%	50,000	7.5%	65,000	7.4%
Web/Multimedia Developer	09/08 - 03/09	45,000		55,000		67,500	
	04/09 - 09/09	45,000	0.0%	55,500	0.9%	75,000	11.1%
	10/09 - 03/10	45,000	0.0%	58,000	4.5%	71,500	-4.7%

6

contract roles - key findings

- Total Contract/Part Time/Casual/ Interim Rates Entered
– 2,500 – an increase of 429 entries
- Median Base Rate Per Hour:
\$80 per hour – up \$10.00 per hour
- Lower quartile average :
\$60 per hour – an increase of \$12.00 per hour
- Upper quartile average:
\$100 per hour – an increase of \$10.00 per hour

Our data shows the lower, median and upper quartile hourly rates currently offered in the market place, as entered into the www.itsalaries.co.nz website.

Since our last report in October 2009, we have recorded a 12.5% increase in the hourly rates offered to ICT workers across New Zealand.

As early as January 2010 AbsoluteIT recorded a spike in demand for contracting compared to previous years. This trend has continued upward with demand increasing during February and March with April showing no signs of slowing

Benefits

Our data shows there has been little or no change to the majority of the benefits offered to contractors. In most cases they are offered the hourly rate and that is it. However, there are a few employers who understand the benefit of offering their contractors additional benefits as part of their package.

Our benefits data shows a positive increase of 3% for flexible working hours. This is an excellent initiative by employers looking to attract quality contractors to their business.

Child Day Care has finally moved from a 0% rating, to 1%, which in today's world is a really positive thing for all employees. Finding appropriate day care for your kids, so you can take up a contract role, can be very stressful and emotional for parents.

Any employer, who can offer this benefit to their contractors, will reap the rewards of a focused contractor, who doesn't have the stress of childcare to worry about.

As you will see the rest of the benefits table shows little or no change to the core benefits offered to contractors.

Benefits Received (permanent employees)	% of your peers who receive benefits			
	Sept 08 – March 09	Apr 09 – Sept 09	Oct 09 – Mar 10	% Change
Flexible Working Hours	14%	13%	16%	+3%
Car Park	6%	8%	7%	-1%
Mobile Phone / Mobile Allowance	5%	8%	7%	-1%
Overtime Payments	3%	4%	5%	+1%
Car and/or Allowance	2%	3%	2%	-1%
Company Paid Training	2%	5%	4%	-1%
Extra Annual Leave	1%	1%	1%	n/c
Gym/Health Club Membership	1%	2%	2%	n/c
Healthcare Subsidies	1%	1%	2%	+1%
Child Day Care	0%	0%	1%	+1%



contractor hourly rate data

Title	Lower Quartile \$ per hour	Medium Quartile \$ per hour	Upper Quartile \$ per hour
Architect	\$ 80.00	\$ 100.00	\$ 120.00
Business Analyst	\$ 70.00	\$ 80.00	\$ 90.00
Consultant BI/CRM	\$ 70.00	\$ 90.00	\$ 110.00
Consultant ERP/Supply	\$ 100.00	\$ 100.00	\$ 120.00
Consultant	\$ 80.00	\$ 100.00	\$ 130.00
Data Record Management	\$ 8.00	\$ 17.00	\$ 17.00
DBA Database Developer	\$ 60.00	\$ 80.00	\$ 90.00
Hardware Engineer	\$ 18.00	\$ 59.00	\$ 59.00
Help Desk/Support	\$ 20.00	\$ 27.00	\$ 35.00
IT Security	\$ 90.00	\$ 100.00	\$ 150.00
Management	\$ 70.00	\$ 100.00	\$ 150.00
Network Administration	\$ 30.00	\$ 48.00	\$ 90.00
Network Engineer	\$ 60.00	\$ 70.00	\$ 80.00
Project Manager / Team Lead	\$ 80.00	\$ 100.00	\$ 120.00
Software – Analyst Programmer	\$ 45.00	\$ 70.00	\$ 90.00
Software Architect	\$ 90.00	\$ 100.00	\$ 120.00
Software Developer	\$ 50.00	\$ 70.00	\$ 80.00
Systems Administration	\$ 24.00	\$ 45.00	\$ 70.00
Systems Analyst	\$ 60.00	\$ 60.00	\$ 60.00
Systems Integration	\$ 60.00	\$ 80.00	\$ 80.00
Technical Writer / Documenter	\$ 45.00	\$ 55.00	\$ 70.00
Testing and Q.A	\$ 60.00	\$ 70.00	\$ 90.00
Trainer	\$ 35.00	\$ 50.00	\$ 110.00
WAN/Telecommunications	\$ 34.00	\$ 95.00	\$ 150.00
Web/Multimedia Designer	\$ 40.00	\$ 45.00	\$ 45.00
Web/Multimedia Developer	\$ 30.00	\$ 40.00	\$ 70.00



about us

AbsoluteIT is a specialist I.T recruitment solutions company, employing 25 staff with offices in Auckland, Wellington and London U.K.

absoluteIT was established in 2000 and over this time has established an excellent reputation in recruitment services in the New Zealand Government and Corporate sectors.

Using some of the latest international recruitment practices, together with smart ideas, has enabled absoluteIT to position itself as a leader in the delivery of I.T recruitment solutions.

We are the first New Zealand Recruitment Company to provide

real-time data on the salaries, contract rates and benefits paid within the NZ IT Sector.

We hope you find our latest report to be an informative read. Should you wish to join our mailing list please e-mail itsalaries@absoluteit.co.nz to ensure you receive our next edition due in October 2010.

For further comment please contact Grant Burley, Director on 04 499 7848 or email grant@absoluteit.co.nz

To visit the absoluteIT website go to: <http://www.absoluteit.co.nz>

To visit the IT salaries website go to: <http://www.itsalaries.co.nz>