

ABSOLUTE IT IT SALARY REPORT

NOVEMBER 2010

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RECRUITMENT SPECIALISTS

Welcome to the AbsoluteIT – Salary Report. The report has been developed in the interests of employers and employees drawing data from the 17,500 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.

SUMMARY OF KEY FINDINGS

- The total number of salaries and contract rates entered into IT Salaries since September 2008 is 17,547.
- The base median salary has increased a marginal 1% in the past 6 months as measured against the 12 month total period to \$76,000.
- The total value of overall employment packages has increased by \$2,000 from \$78,000 to \$80,000.
- 14,539 were permanent salaries, an increase of 1,979 salaries since April 2010.
- 3,008 Contract/Part-time/Casual/Interim rates have been entered, an increase of 321 since April 2010.
- The number of employees receiving benefits has not improved in the last 6 months and has varied for contractors.
- Solution and Application Architects, Business Analysts and Software Developers skill sets are most in demand, though salaries have either changed very little or have decreased in the lower quartile.
- The median contract offered is now \$80 per hour; up from \$70 per hour against the 12 month total period.
- More contract employees are being offered flexible working hours.
- There has been no change in the hourly base median rate (\$80) or the upper quartile average (\$100) however the lower quartile average has decreased 17% to \$50 per hour.

THE CURRENT MARKET

In the context of the current New Zealand ICT market, these results indicate that remuneration is still not reflecting the growing pressure on employers to attract and retain talent – with only a marginal base median salary increase of 1% in the past 6 months and no improvements in employee benefits.

However, the New Zealand ICT sector is experiencing major growth which is reflected in rising levels of recruitment activity that is set to continue over the coming months, as indicated in our September 2010 Employer Intentions Survey. The ICT recruitment market has also changed significantly over the past six months following a major reduction in permanent recruiting by Government in favour of contracting resulting in significant growth in the private sector.

At present, while there is no evidence of any pressure on permanent or contract remuneration rates, our research shows that based on past trends with increasing recruitment activity, we will see employers hit hard over the coming months in the face of a diminishing ICT talent pool and rising demand for higher remuneration rates and benefits to retain and attract talent.

We expect to see this overall sector change mid-way through 2011 and probably sooner for certain skill sets.

Meanwhile, Australia will continue to draw IT talent across the Tasman with the promise of higher take-home pay (median base package of \$91,560 which includes 9% superannuation) compared to New Zealand's \$80,000 median base package with an optional 2% superannuation provided by New Zealand employers.

However, a point of strength for New Zealand employers to build on is that benefits on offer are significantly more than in Australia. In New Zealand, 30% of employees enjoy a flexible work arrangement – seen as a key benefit for all employees - and 29% are provided training - almost double what is offered in Australia.

BENEFITS – PERMANENT

Overall there has been a small decrease in the benefits offered to permanent employees in the last 6 months. Furthermore, compared to September 2008, only mobile allowances have increased while all other benefits have declined.

Our July 2010 Employee Intentions Survey found that employees are attracted by benefits such as greater flexibility, yet currently only 37% are enjoying this incentive.

Benefits received vary across the skill set shortage areas, with Architects enjoying more benefits than the average employee and Business Analysts receiving less. Flexible working hours are enjoyed by 32% of Architects and 30% of all permanent employees, compared with only 25% of Business Analysts. Overall, 34% of permanent employees and 41% of Architects receive bonuses or commissions, but only 30% of Business Analysts receive such benefits.

As noted in our September Employer Intentions Survey Report, employers must respond in these skill set shortage areas, making themselves as attractive as possible by increasing incentives such as flexible hours and remote access, career advancement opportunities and bonuses.

Take Outs

- Total number of salaries and contract rates entered into IT Salaries since September 2008 is 17,547.
- There has been no change in the hourly median base rate (\$80).
- The base median salary has increased a marginal 1% in the past 6 months.
- The median contract offered is now \$80 per hour up from \$70 per hour against the 12 month period.
- More contract employees are being offered flexible working hours.
- The number of employees receiving benefits has not improved in the last 6 months.

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Benefits Received (permanent employees)	% of your peers who receive benefits				
	Sep 08 – March 09	Apr 09 – Sep 09	Oct 09 - Mar 10	Mar 10 - Oct 10	% Change since last report
Mobile Phone/Mobile Allowance	34%	37%	38%	37%	-1%
Flexible Working Hours	30%	25%	28%	28%	0%
Company Paid Training	29%	25%	26%	24%	-2%
Health Care Subsidies	26%	23%	25%	22%	-3%
Car Park	24%	24%	22%	22%	0%
Overtime Payments	12%	11%	11%	11%	0%
Additional Superannuation	11%	9%	10%	10%	0%
Car and/or Car Allowance	9%	9%	10%	9%	-1%
Extra Annual Leave	9%	10%	9%	8%	-1%
Gym/Health Club Membership	7%	6%	7%	5%	-2%
Stock Options	5%	5%	6%	4%	-2%
Child Day Care	1%	1%	1%	1%	0%

PERMANENT SALARY DATA

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%
	3/10 - 10/10	98,500	-1.0%	111,500	1.4%	130,000	0.0%
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%
	3/10 - 10/10	62,000	-6.8%	80,000	3.2%	90,000	0.0%
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%
	3/10 - 10/10	70,500	-5.7%	85,500	0.6%	109,500	9.5%
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%
	3/10 - 10/10	80,000	6.7%	95,000	10.0%	115,000	4.5%
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%
	3/10 - 10/10	73,000	-3.9%	83,500	-12.1%	115,000	4.5%
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%
	3/10 - 10/10	50,000	2.0%	51,500	-8.0%	60,000	-17.2%

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Title	Date Range	Lower Quartile \$	% Change	Medium Quartile \$	% Change	Upper Quartile \$	% Change
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%
	3/10 – 10/10	62,000	-11.4%	75,500	-5.6%	90,000	0.0%
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%
	3/10 – 10/10	32,000	-11.1%	42,000	-10.6%	60,500	-13.6%
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%
	3/10 – 10/10	41,000	2.5%	47,500	4.4%	54,000	1.9%
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%
	3/10 – 10/10	75,000	7.1%	93,000	10.0%	115,000	0.0%
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%
	3/10 – 10/10	88,000	0.0%	105,000	-3.7%	125,000	-3.8%
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%
	3/10 – 10/10	42,500	-15.0%	55,000	-3.5%	75,000	13.6%
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%
	3/10 – 10/10	56,500	2.7%	68,750	3.8%	80,000	0.0%
Project Manager/Team Lead	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%
	3/10 – 10/10	80,000	1.3%	97,750	2.9%	118,000	7.3%
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%
	3/10 – 10/10	68,000	13.3%	90,000	12.5%	115,000	4.5%
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%
	3/10 – 10/10	57,500	0.9%	70,000	0.0%	82,000	2.5%

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Title	Date Range	Lower Quartile \$	% Change	Medium Quartile \$	% Change	Upper Quartile \$	% Change
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%
	3/10 - 10/10	98,000	6.5%	102,000	-1.0%	120,000	-4.0%
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	65,000	25.0%	70,000	7.7%	81,500	1.9%
	3/10 - 10/10	60,000	-7.0%	65,000	-7.1%	80,000	-1.8%
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%
	3/10 - 10/10	53,000	-1.9%	64,500	-0.8%	73,500	-2.0%
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%
	3/10 - 10/10	58,000	6.4%	70,500	12.8%	83,000	10.7%
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%
	3/10 - 10/10	65,000	-2.3%	75,000	-4.5%	95,500	-4.5%
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%
	3/10 - 10/10	56,000	0.0%	70,000	-2.1%	80,000	0.0%
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%
	3/10 - 10/10	50,000	-9.1%	68,500	-2.8%	80,000	-5.9%
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%
	3/10 - 10/10	50,000	-9.1%	57,500	-1.7%	70,500	2.9%
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%
	3/10 - 10/10	50,000	0.0%	79,500	5.3%	98,000	-6.7%
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%
	3/10 - 10/10	40,000	-9.1%	51,500	3.0%	65,000	0.0%

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Title	Date Range	Lower Quartile \$	% Change	Medium Quartile \$	% Change	Upper Quartile \$	% Change
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%
	3/10 – 10/10	42,000	-6.7%	54,500	-6.0%	68,000	-4.9%

CONTRACT ROLES – KEY FINDINGS

- 3,006 total Contract/Part Time/Casual/Interim Rates were entered, an increase of 321 entries.
- No change in the hourly median base rate of \$80 per hour or the upper quartile average of \$100 per hour.
- The lower quartile average is \$50 per hour, a decrease of \$10 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 April 2010, there has been little change overall in the hourly rates offered to ICT workers.

BENEFITS

The trend of change in benefits for contractors is negative; however it is a small change, no greater than 2% for all areas. Comparing the recent data with that of late 2008, the majority of current benefits are equal to, or slightly higher. Flexible working hours remains the most common benefit Contractors received. And, according to our July Employee Intentions Survey, this is a commonly attractive benefit sought by employees.

% of your peers who receive benefits					
Benefits Received (contractors)	Sep 08 – March 09	Apr 09 – Sep 09	Oct 09 – Mar 10	Mar 10 – Oct 10	% Change
Flexible Working Hours	14%	13%	16%	15%	-1%
Car Park	6%	8%	7%	7%	0%
Mobile Phone/Mobile Allowance	5%	8%	7%	5%	-2%
Overtime Payments	3%	4%	5%	5%	0%
Car and/or Allowance	2%	3%	2%	4%	+2%
Company Paid Training	2%	5%	4%	2%	-2%
Extra Annual Leave	1%	1%	1%	2%	+1%
Gym/Health Club Membership	1%	2%	2%	1%	-1%
Healthcare Subsidies	1%	1%	2%	1%	-1%
Child Day Care	0%	0%	1%	1%	0%

Take Outs

- 3,006 total Contract/Part Time/Casual/Interim Rates were entered, an increase of 321 entries.
- The lower quartile average is \$50 per hour, a decrease of \$10 per hour.
- In July 2010, Contracting increased by 2.26% in 6 months.
- The trend of change in benefits for contractors is negative.
- Comparing the recent data with that of 2008, the majority of current benefits are equal to or slightly higher.
- Flexible working hours remains the most common benefit Contractors receive.

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CONTRACTOR HOURLY RATE DATA

Title	Lower Quartile \$ per hour	Medium Quartile \$ per hour	Upper Quartile \$ per hour
Architect	\$ 90.00	\$ 100.00	\$ 120.00
Business Analyst	\$ 70.00	\$ 80.00	\$ 90.00
Consultant BI/CRM	\$ 90.00	\$ 100.00	\$ 120.00
Consultant ERP/Supply	\$ 70.00	\$ 90.00	\$ 120.00
Consultant	\$ 80.00	\$ 100.00	\$ 120.00
Data Record Management	\$ 15.00	\$ 20.00	\$ 26.00
DBA Database Developer	\$ 60.00	\$ 70.00	\$ 80.00
Hardware Engineer	\$ 25.00	\$ 30.00	\$ 30.00
Help Desk/Support	\$ 21.00	\$ 27.00	\$ 40.00
IT Security	\$ 90.00	\$ 130.00	\$ 150.00
Management	\$ 100.00	\$ 120.00	\$ 150.00
Network Administration	\$ 25.00	\$ 33.00	\$ 80.00
Network Engineer	\$ 50.00	\$ 65.00	\$ 80.00
Project Manager/Team Leader	\$ 80.00	\$ 100.00	\$ 110.00
Software – Analyst Programmer	\$ 50.00	\$ 70.00	\$ 90.00
Software Architect	\$ 80.00	\$ 95.00	\$ 120.00
Software Developer	\$ 60.00	\$ 65.00	\$ 80.00
Systems Administration	\$ 35.00	\$ 50.00	\$ 75.00
Systems Analyst	\$ 30.00	\$ 46.00	\$ 90.00
Systems Integration	\$ 60.00	\$ 90.00	\$ 120.00
Technical Writer/Documenter	\$ 45.00	\$ 50.00	\$ 70.00
Testing and Q.A	\$ 60.00	\$ 70.00	\$ 90.00
Trainer	\$ 35.00	\$ 44.00	\$ 60.00
WAN/Telecommunications	\$ 34.00	\$ 95.00	\$ 140.00
Web/Multimedia Designer	\$ 36.00	\$ 45.00	\$ 70.00
Web/Multimedia Developer	\$ 30.00	\$ 45.00	\$ 70.00

METHODOLOGY

The AbsoluteIT – Salary Report captures real-time contract and permanent employee's remuneration details as entered into www.itsalaries.co.nz.

Of the estimated 40,000 ICT workers in New Zealand, 44 % (17,541) have entered their remuneration details anonymously into IT Salaries; an increase of 24% since the last survey in April 2010. 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 from the multiple choice drop down menus.

Of the 17,541 plus participants of the survey, there were seven levels of education, 75 industry groups, and seven types and sizes of current employer. In addition, participants were also asked to confirm their gender, number of years experience and the number of people they managed or supervised.

About Us

absolutelT is a specialist ICT recruitment solutions company, employing over 30 staff with offices in Auckland, Wellington and London, United Kingdom. absolutelT was established in 2000 and since then 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, absolutelT has positioned itself as a leader in the delivery of ICT recruitment solutions.

For further information please contact: Grant Burley, Director, on (04) 499 7848 or email grant@absolutelT.co.nz

To visit the Absolute IT website go to:

<http://www.absolutelT.co.nz> or
<http://www.itsalaries.co.nz>