

Salaries static - but NSW, WA, SA see a rise in the number of contractor opportunities late in June

Peoplebank's Quarterly IT&T Salary Index, based on salaries offered to permanent and contractor ICT workers over the April - June 09 period, confirms that while salaries and conditions remain stagnant, there are early signs of a firming market through strengthening demand for contractors - in several of Australia's key markets.

The survey, released today, shows that overall IT employment levels remained lower than the high levels recorded in the first half of 2008 and demand was generally flat for much of the quarter.

However, Peoplebank's COO, Peter Acheson comments that there was a noticeable firming in the number of contractors being hired in June 2009 - a late improvement that saw contractor levels for the period lift slightly by around 5% over the prior quarter. Mr Acheson comments that this trend has continued into July.

Furthermore, the types of contractors being sought being those that are typically sought at the beginning of projects, indicating that there may be the flow-on demand for project execution skills in the medium term.

The rise in demand for contractors was most evident in New South Wales, in Western Australia and South Australia; and more constrained in Victoria, Queensland and the ACT.

This rise is consistent with Peoplebank's experience that the contract sector is the first to respond to strengthened economic conditions, with a corresponding strengthening in the permanent market over the medium term, Mr Acheson said.

In addition to this rise, Peoplebanks clients are evidencing a significant and noticeable shift towards hiring. In our May survey of Peoplebanks top 50 clients, only six indicated positive hiring intentions and 24 had a hiring freeze in place and in sharp contrast, our June survey found 19 had positive hiring intentions and 12 had hiring freezes.

In short, we believe we are seeing the very early signs of green shoots of recovery in the ICT sector: as organisations move ahead with projects, including the much-publicised core systems upgrades in the FSI sector. Other enterprises are now proceeding with projects that had been put on hold when the GFC hit, and some are also gearing up tentatively with a contract-based workforce so as to respond quickly to strengthening market conditions, he commented.

While most salaries (see table below) remained static for salaries paid to permanent employees and many contract ICT workers in more than 50 job areas, emerging trends in individual markets included:

NSW:

The contractor market is being buoyed by several much-publicised major projects: eg core systems upgrades in the major banks.

Demand is particularly strong in the banking, government and telco sectors.

Almost half of all demand is for project managers/business analysts the sort of skills required at the commencement of projects. Other skills in demanded included for developers Java/J2EE, Data warehouse/ETL tools, and software and web testers.

In permanent roles, demand was strongest for developers including .net and data warehouse developers, desktop support/service desk staff, server engineers, security engineers, and for those with SAP skills.

VIC:

Contract and permanent employment levels have declined over this the comparable period for last year however, demand

has stabilized in both the contract and permanent sectors.

Contract rates continue to be scrutinised.

Demand is strongest for: SAP, Storage, Security Solution Architects, Project Managers, Business Analysts and Testers with FSI knowledge, and for Desktop Support staff.

ACT

The impact of the GFC and departmental responses to the Gershon reports recommendations around the use of contractors contributed to an overall reduction in engaged contractors of more than 15% at the end of June, and rate reductions of between 5% and 20%.

Permanent demand in the ACT market has been strong however, as with the contract market, there has been downward pressure on salary levels.

Downward pressure is likely to remain until there is firm evidence of a recovery across the nation

Key demand is for Sharepoint and .Net skills.

WA:

Demand for contractors has strengthened to the pre-December levels.

Permanent recruitment saw some signs of strengthening in June.

Demand is strongest for Java Developers and Project Managers, and also for .Net programmers, SQL Server database administrators, Sharepoint developers and Administrators, and finally, Technical Writers.

SA

Both permanent salaries and contract rates have remained stationary over the past three months.

Demand for contractors began to firm late in June as projects previously on-hold or shelved begin to come back online.

The skill-sets in high demand were spread across several areas: including for developers, analysts and engineers, as well as for people with ERP platform skills. Strongest demand is for Siebel, SharePoint, PeopleSoft Business Analysts and Developers, Oracle Developers, and Junior and Senior UNIX AIX Engineers.

QLD

Market conditions remain challenged.

Both private and public sector organisations are anticipating that the eventual commencement of planned projects will lead to an increase in demand for contractors.

The top skillsets are: SAP (ABAP) Developers, .Net Developers, Infrastructure Specialists (VMWare, Citrix, SAN, Active Directory & Windows), Field Support/Help Desk Support.

Peoplebank is making its Quarterly Salary Index for each city available at [www.peoplebank.com.au](http://www.peoplebank.com.au), as a guide for its enterprise clients and as a measure intended to help ICT workers identify areas of demand for their skills.

Table 1: Comparative Sample of Capital City Salary Rates (for permanent roles):

Position

Sydney

ACT

Melbourne

Adelaide

Perth

Brisbane

Senior  
Business Analyst

\$120,000