



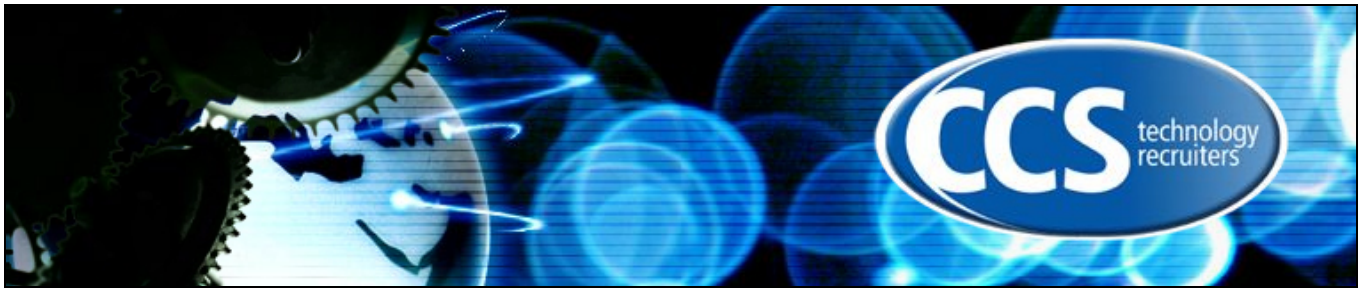
IT Recruitment and Retention Report Autumn 2007



Melbourne: Level 21, 303 Collins Street Melbourne VIC 3000 t: 03 9963 4888 f: 03 9963 4880 e: vic@ccsrecruit.com.au

Sydney: Level 11, 39 York Street Sydney NSW 2000 t: 02 9200 4444 f: 02 9200 4440 e: nsw@ccsrecruit.com.au

Canberra: Level 8, 15 London Circuit, Canberra 2600 t: 02 6202 7700 f: 02 6202 7799 e: act@ccsrecruit.com.au



Introduction from our MD

Firstly, thank you to all those organisations who contributed information to the report.

Undoubtedly, we are operating in a supply sensitive market. Demand for IT staff has risen across the board. The demand for permanent staff is especially strong. It would appear that demand for staff will continue to be strong over the next 12 months.

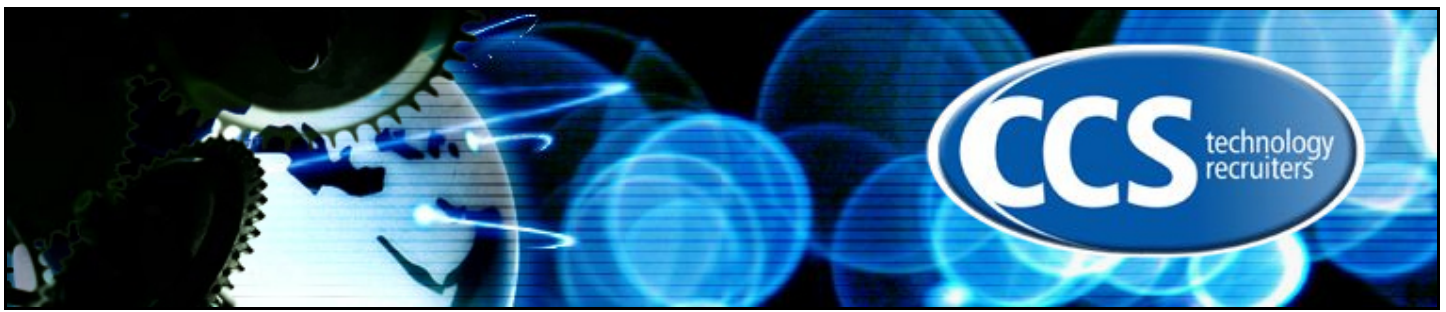
I look forward to CCS continuing its relationship with you over the year. Please feel free to contact me at any time if you want an update, or if you need our support with your recruitment activity.

Best wishes

A handwritten signature in blue ink that reads "Ben Wood".

Ben Wood
Managing Director
Level 21, 303 Collins Street
Melbourne VIC 3000
T: 03 9963 4884
F: 03 9963 4880
E: benw@ccsrecruit.com.au
W: www.ccsrecruit.com.au





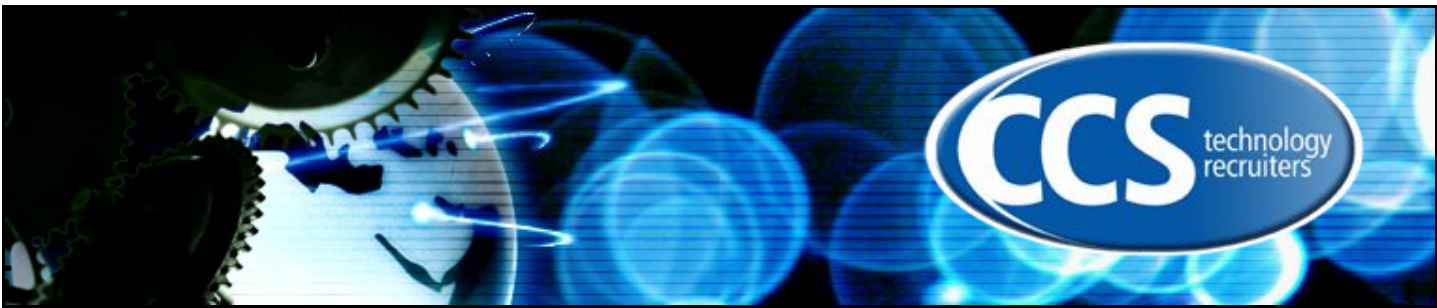
1. Key Findings

During February 2007, we received around 200 responses to our electronic survey sent to organisations across a range of industries in Sydney, Melbourne and Canberra.

This is the 8th edition of our IT Recruitment and Retention Report. Data is compared to that gained 12 months ago and is analysed by organisation size and industry sector.

In summary, the data reveals:

- A very positive business environment with 62% of organisations expecting an increase in sales turnover.
- 45% of organisations expect to increase their IT budget over the next 12 months.
- 35% of organisations plan to increase their numbers of IT staff, with 37% planning to hire more permanent staff and 27% planning to use more contractors.
- Average salary increases are set to average 4.5% over the next 12 months.
- 45% of respondents report that they have paid more than anticipated to hire IT staff.
- The IT workforce continues to be stable with 62% of organisations reporting staff turnover of 5% or less. Only 11% reported staff turnover of 15%+.
- Fewer organisations reported hiring IT graduates or having a graduate programme to do so, but there was a swing in sentiment towards a willingness to “build” capability by being flexible on skill requirements.

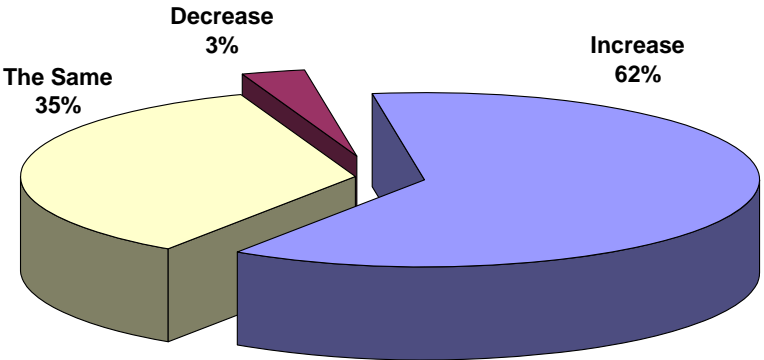


2. How's Biz?

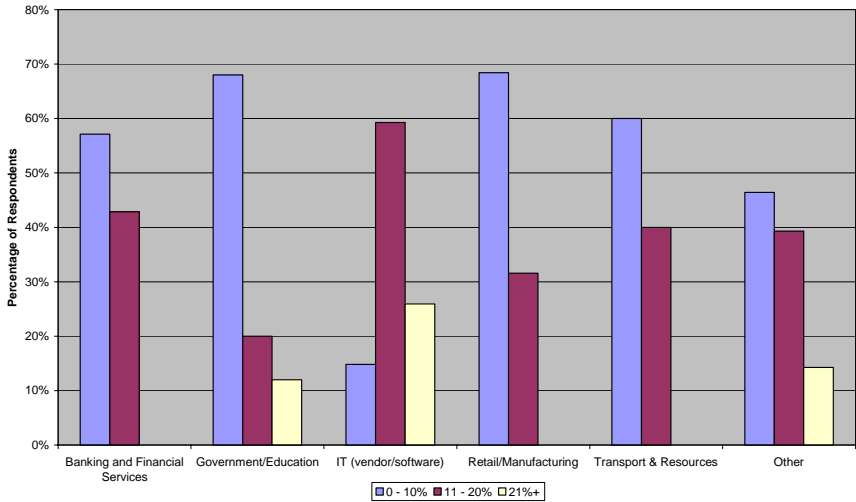
2.1 Sales Turnover

Overall the business environment is very positive. Very few organisations are expecting a fall in sales. However, the level of increase has plateaued with most expecting to grow by less than 10%.

2.1.1 Over the next 12 months, how do you expect your sales (\$ turnover) to change?



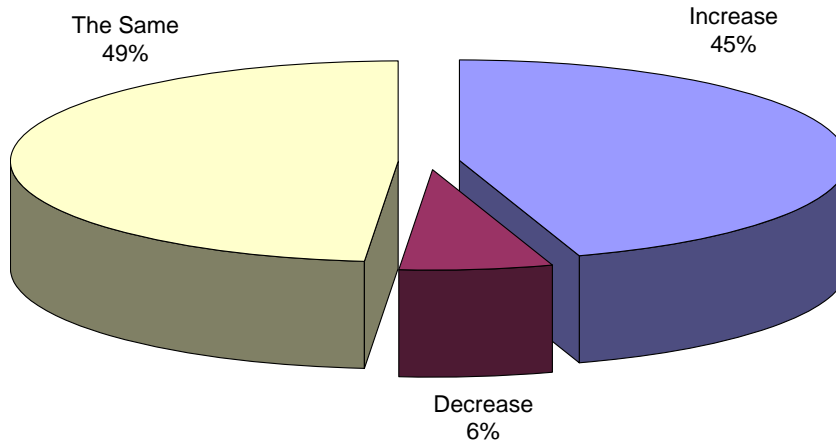
2.1.2 If you expect an increase, by what percentage? (by Industry sector)



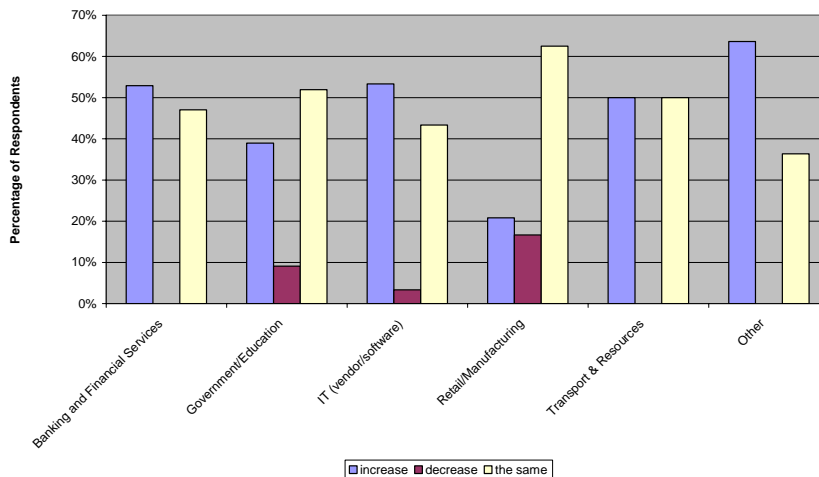
2.2 IT Budget

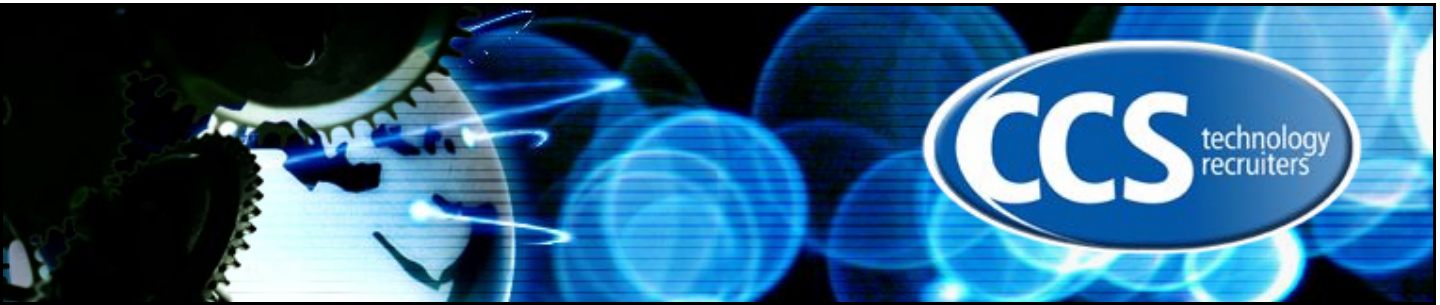
More money is being made available to IT budgets. 45% expect to spend more on IT, compared with 38% last year. Only 6% expect a reduction, compared with 15% previously.

2.2.1 Change in IT budget over the next 12 months



2.2.2 Change in IT budget by Industry sector



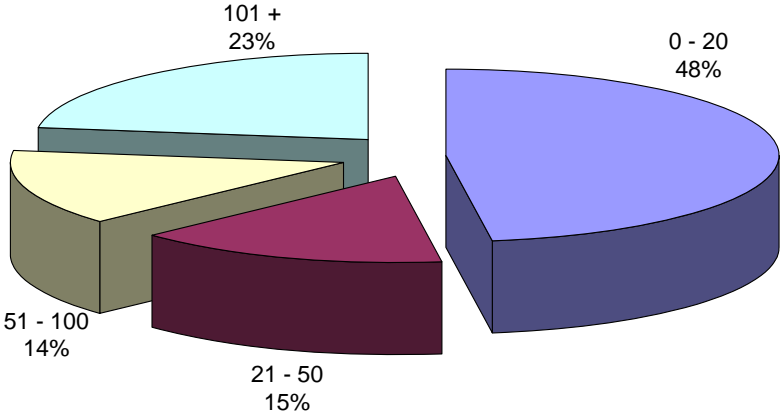


3. Staffing Levels: 'Hiring or Firing?'

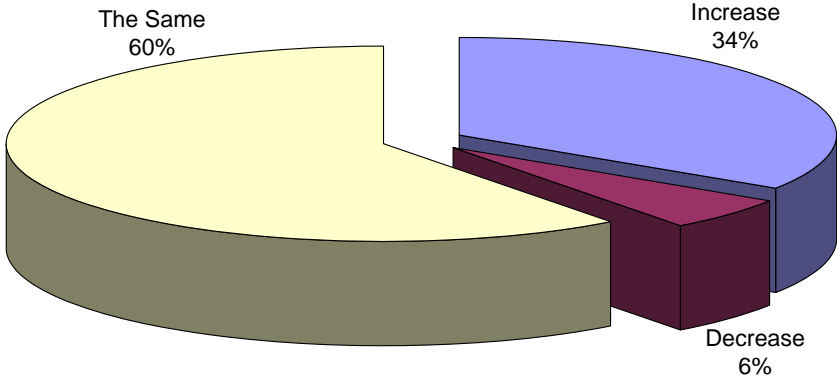
34% expect to increase IT staff numbers over the next 12 months. Only 6% plan a reduction in staff numbers. Whilst demand is strong, hiring intentions are at a similar level to last year.

Demand for permanent staff (37% expect to increase numbers) will be stronger than demand for contractors (27% expect greater demand).

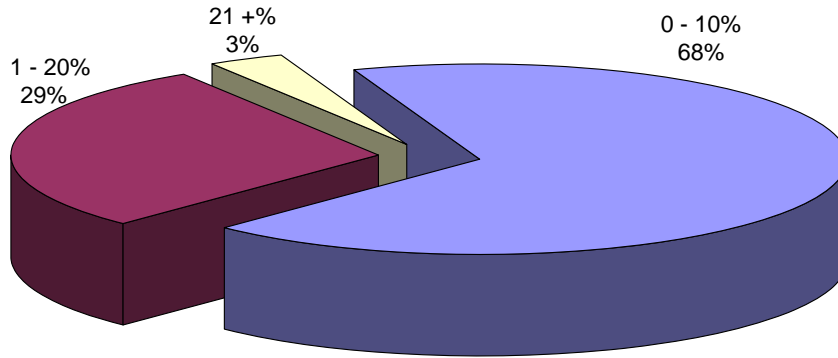
3.1 Survey respondents by Number of IT Staff



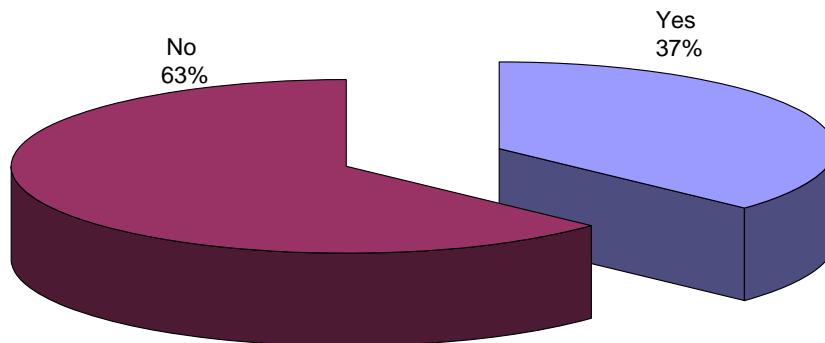
3.2 Over the next 12 months, how do you expect your total IT staff numbers to change?



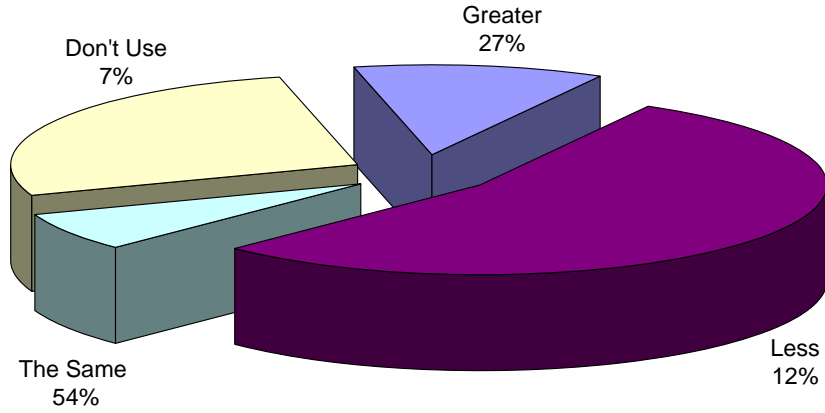
3.3 If increasing, by what percentage?



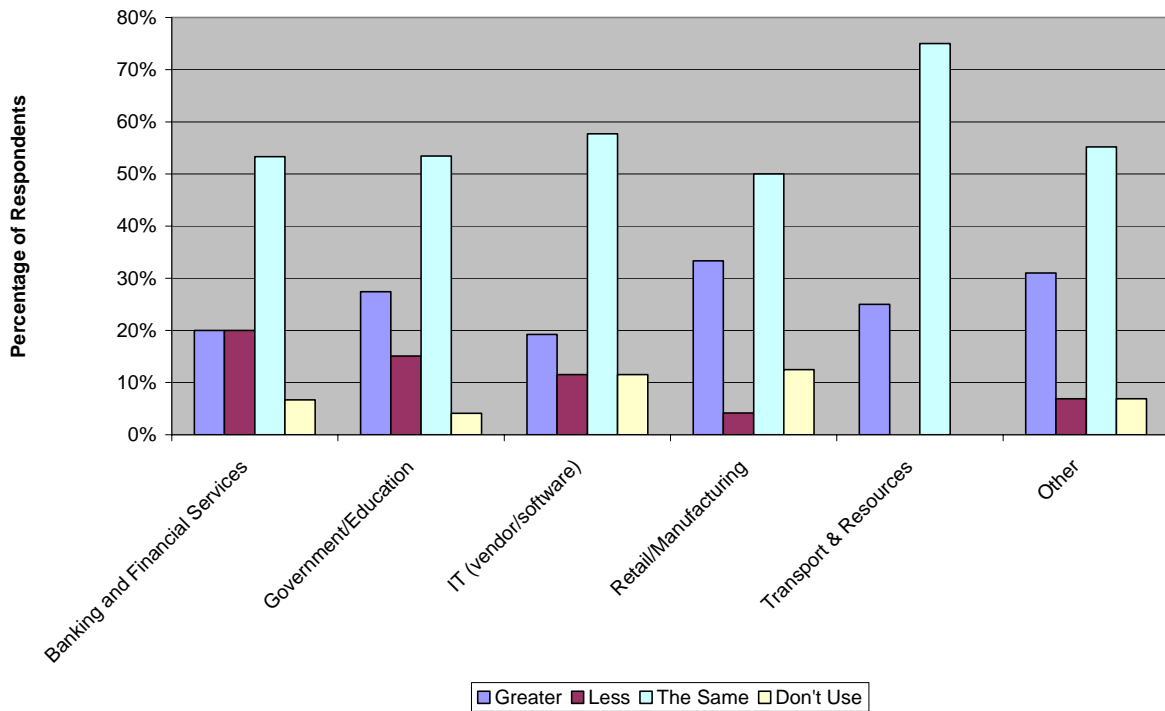
3.4 Do you expect to increase the number of your permanent IT staff over the next 12 months?

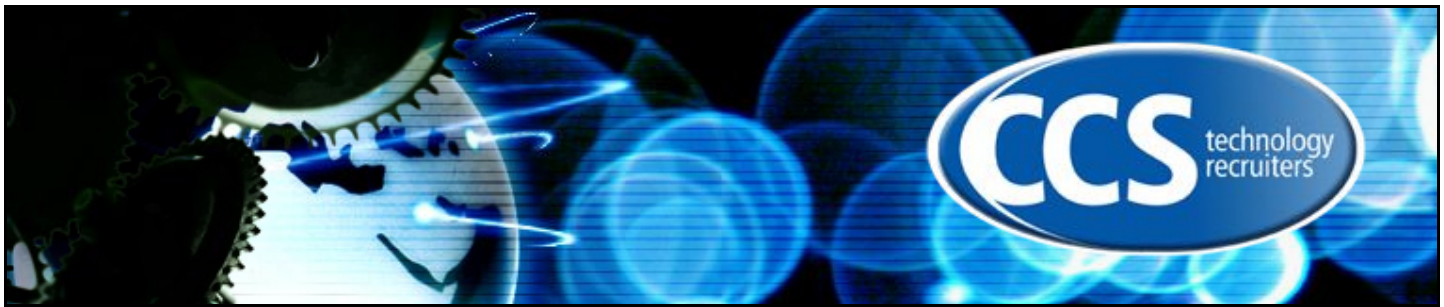


3.5 Over the next 12 months, do you expect your usage of IT Contractors will be greater or less than over the last 12 months?



3.6 Over the next 12 months, do you expect your usage of IT Contractors will be greater or less than over the last 12 months? (by Industry sector)





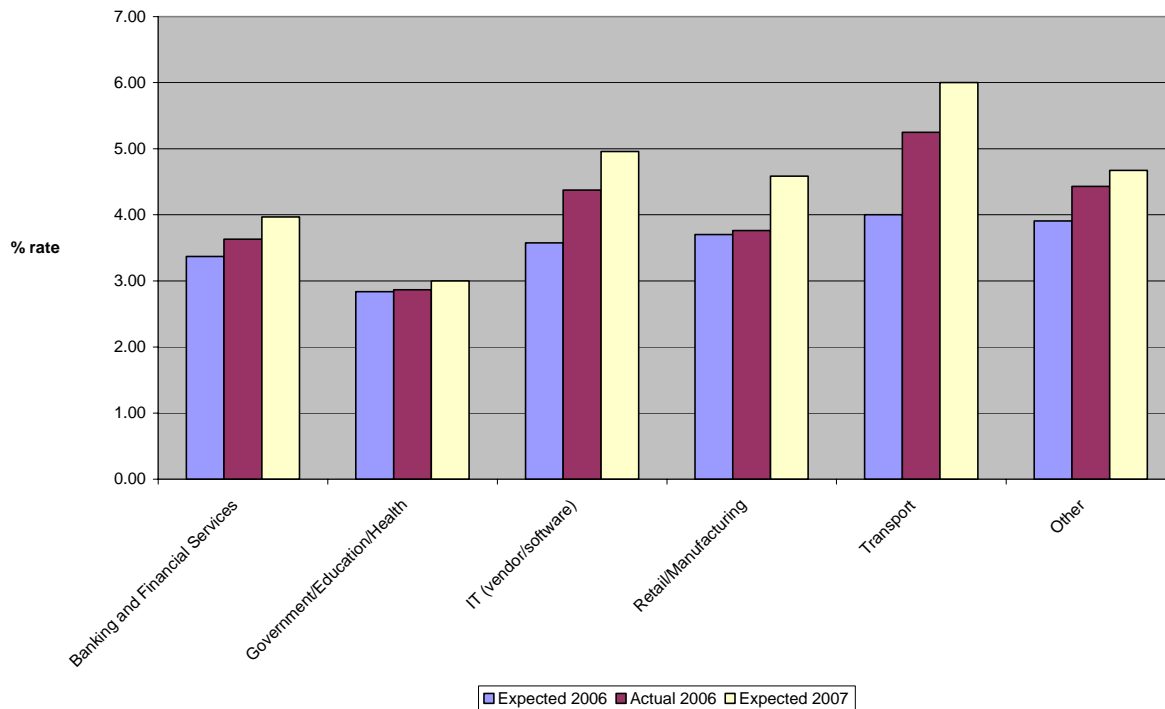
4. 'Show Us The Money'

Salaries are rising at a higher rate than 12 months ago, and rose at a higher rate than expected over the last 12 months. The average increase expected in 2007 is 4.5% compared with 3.6% 12 months ago.

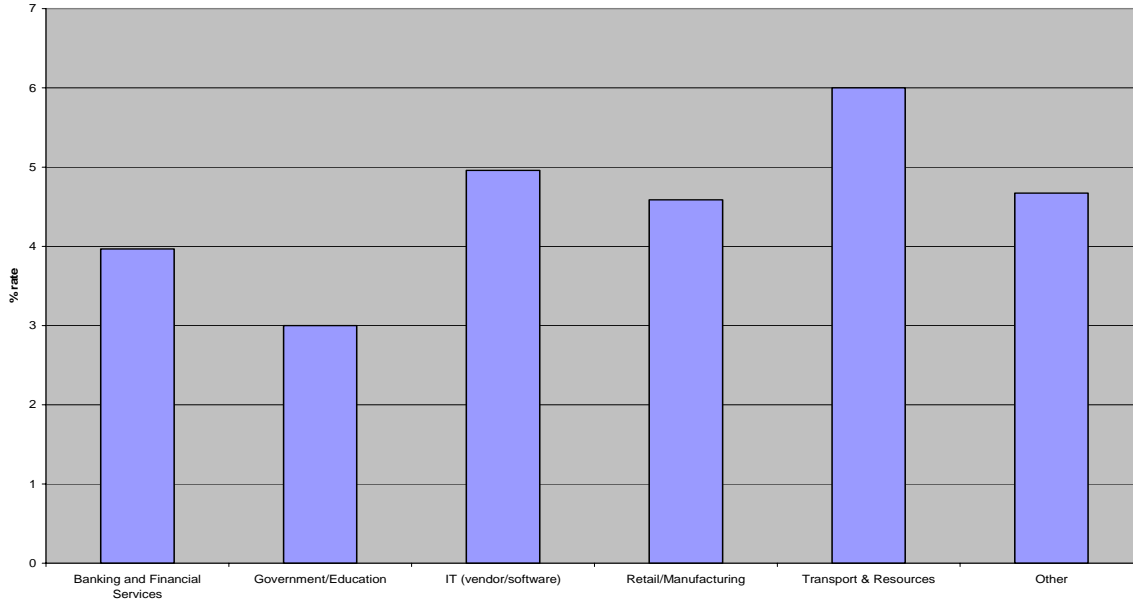
The incidence of counter-offer is increasing, with 17% deciding it is better to offer a resigning employee more money to stay, rather than bear the cost and uncertainty of recruiting a new person.

Other evidence to demonstrate the rising market is provided by figure 4.4; nearly half found that they have had to pay more than they were expecting to.

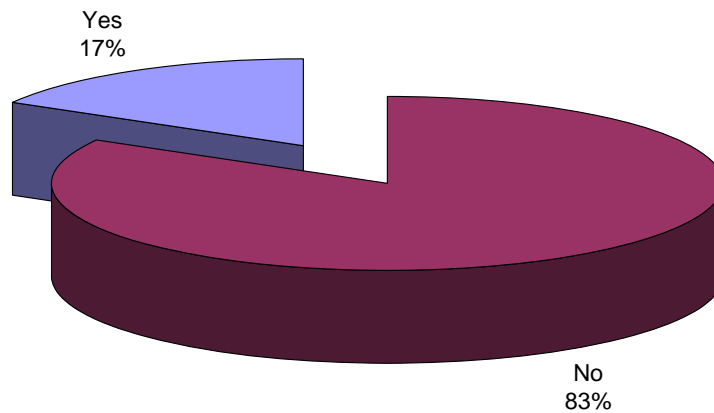
4.1 Comparison of 2006 expected IT salary increase rate compared with actual, and 2007 expectations



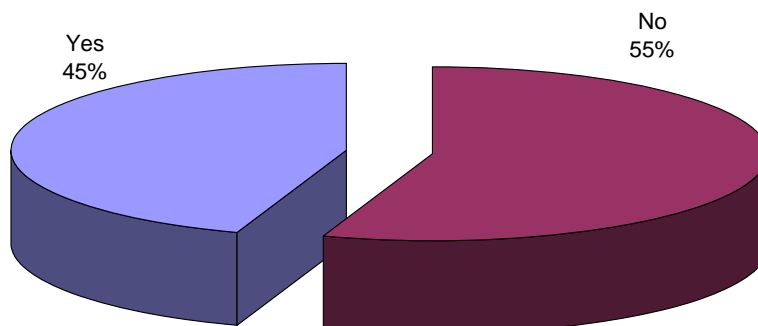
4.2 On average, at what percentage do you expect your salaries for IT staff to increase over the next 12 months?

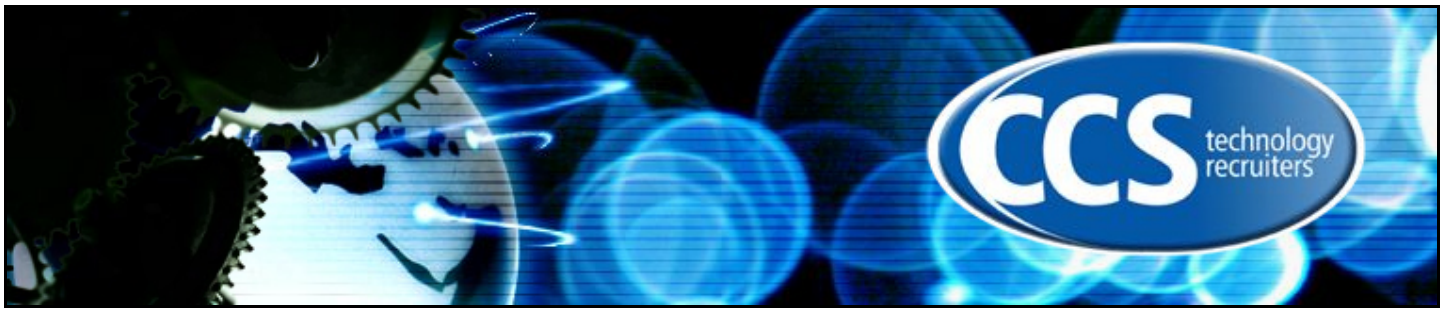


4.3 Over the last year, have you had to counteroffer an IT employee who had resigned, in order to retain their services?



4.4 When recruiting IT staff in the last year, have you had to pay more than you initially wanted or expected to, in order to attract the right candidate?



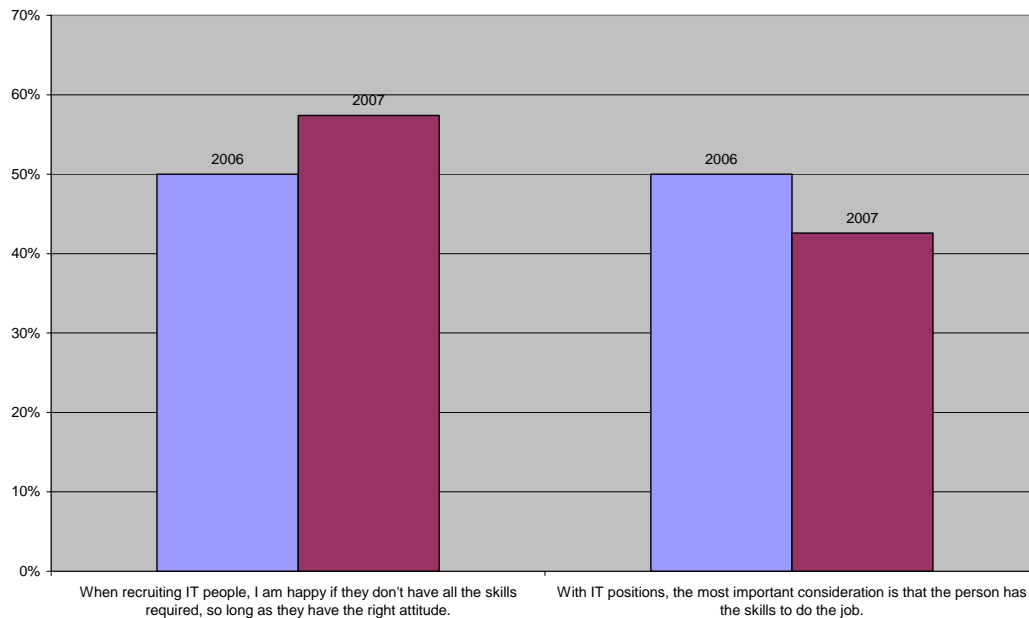


5. Recruitment Strategies: 'Buy or Build?'

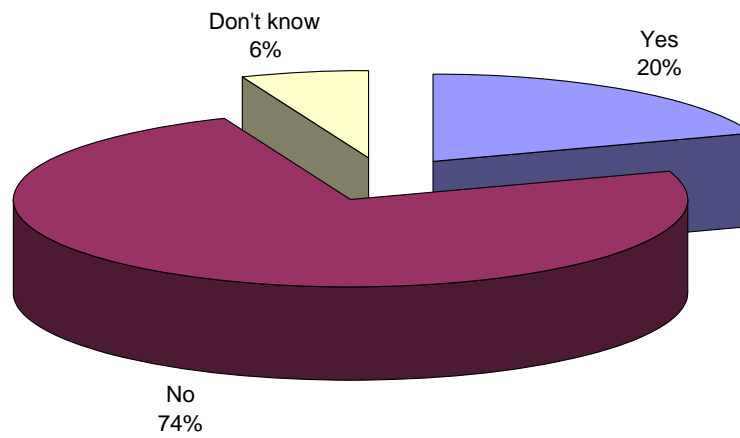
One of the reactions of the market to current levels of demand can be seen by the swing towards "build" strategies (find and hire the right attitude/behaviours and be prepared to train on the skills).

However, amazingly the number of respondents who have hired graduates has fallen from last year. This would appear to be a major inconsistency, and presents an opportunity for those that do have a graduate recruitment programme to distance themselves from their competitors.

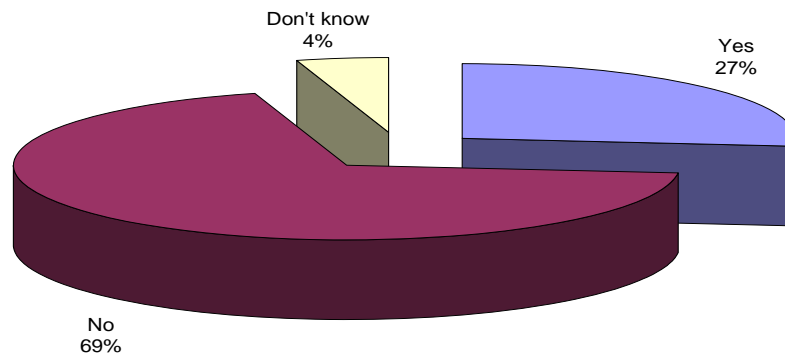
5.1 Which statement most closely reflects your approach to recruitment? (Comparison 2006/2007)



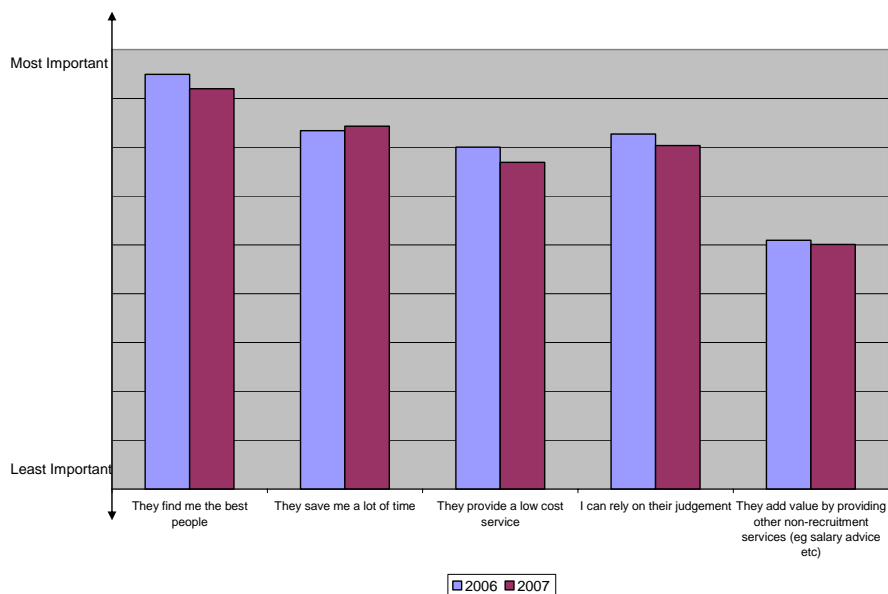
5.2 Do you have a graduate recruitment program for IT staff?

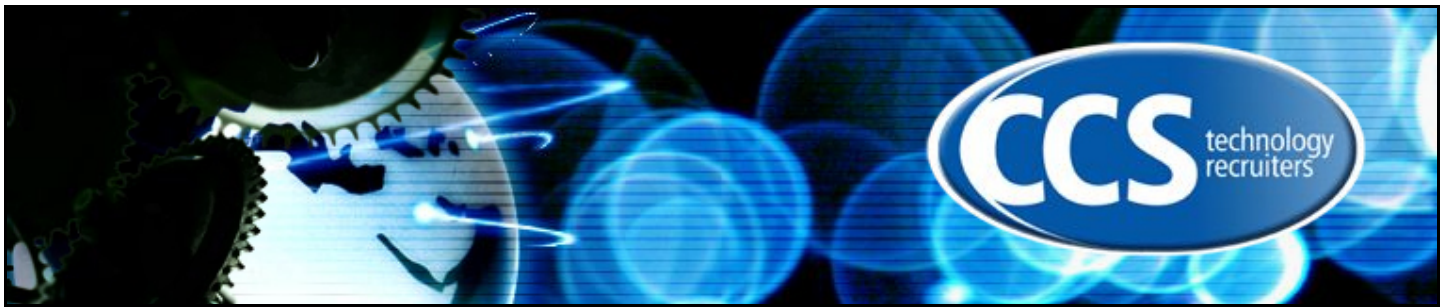


5.3 Have you hired IT graduates in the last 12 months?



5.4 What is most important to you in the service you receive from your recruitment partner? (Comparison 2006/2007)

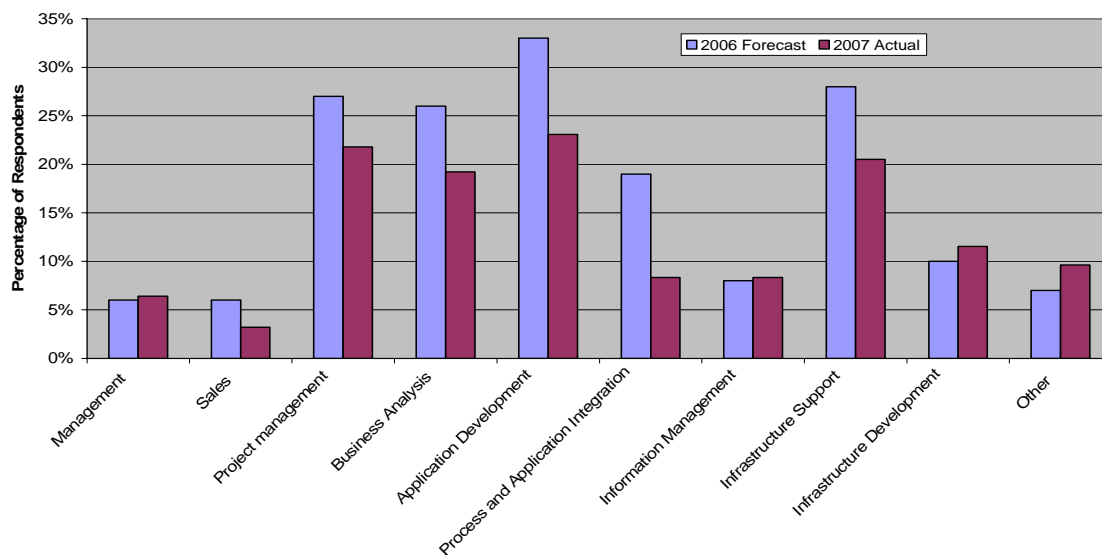




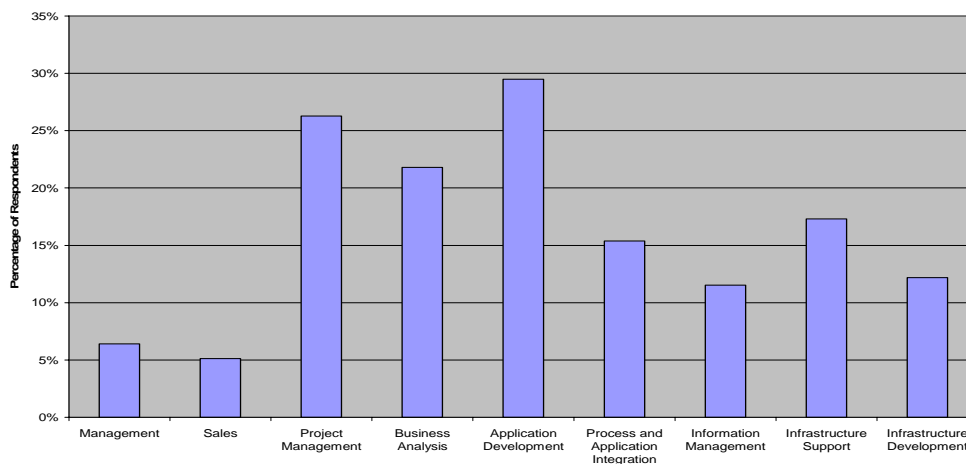
6. Hot Spots – Who’s in Demand?

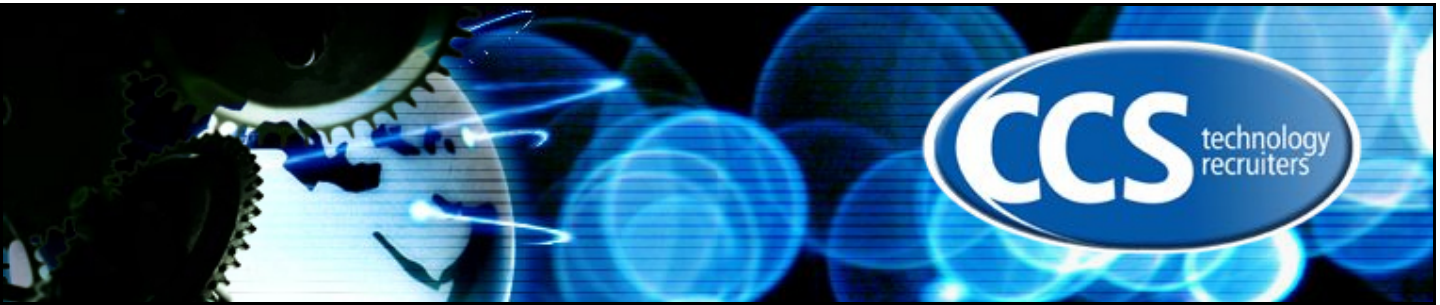
Interestingly, it seems hirers found it easier to hire certain categories of staff than they were expecting. Certain staff categories are likely to prove more difficult to recruit over the next 12 months. For example, there is huge demand for Information management specialists (BI, ETL tools knowledge in particular).

6.1 Which IT roles are most difficult to recruit? Comparison of 2006 respondents’ forecast against what was actually experienced by 2007 respondents in the last 12 months



6.2 Forecasting demand for your organisation over the next 12 months, which IT role type do you expect to be in greatest demand?

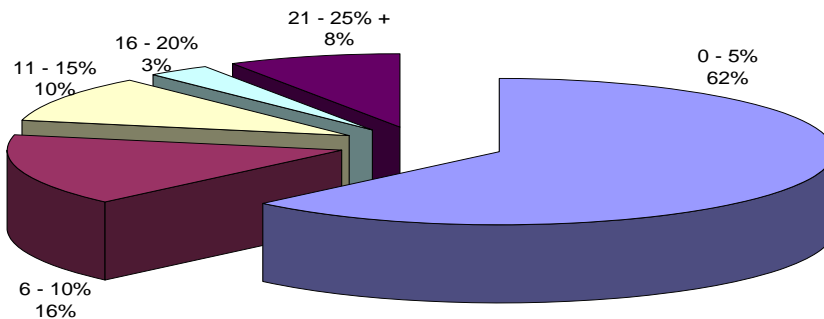




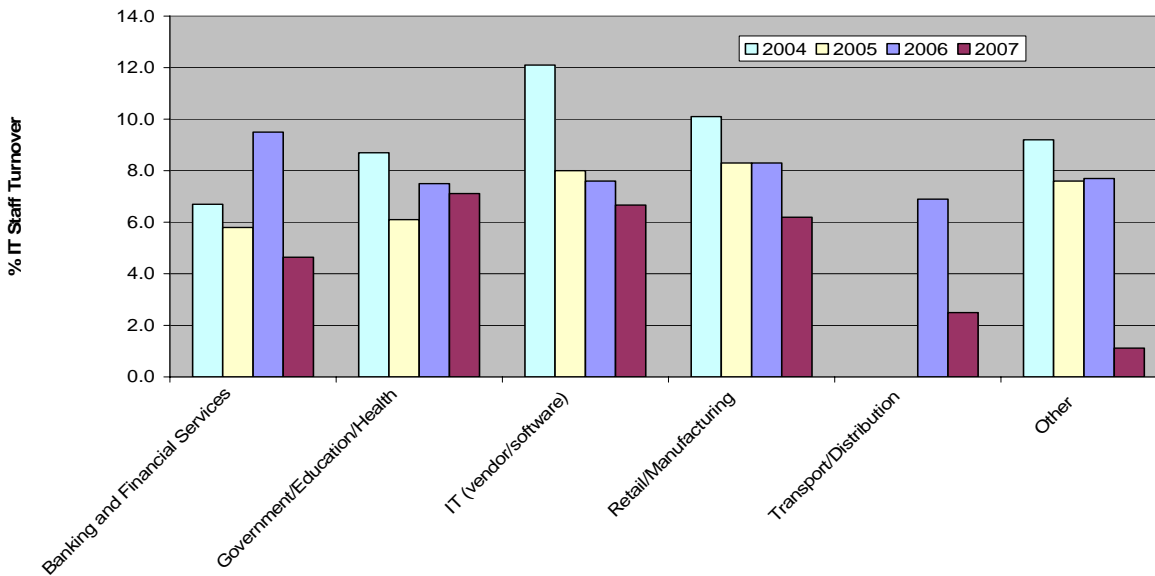
7. 'Revolving Doors'

Only 11% of respondents indicated staff turnover of more than 15%, which continues the broad trend of reduced turnover over the last few years (see figure 7.2). One in four who left an organisation did so at the initiative of management.

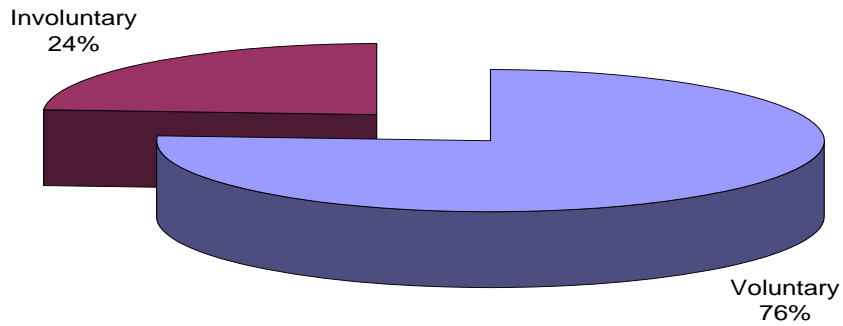
7.1 What has been the approximate % rate of your IT staff turnover over the last 12 months?



7.2 What has been the approximate % rate of your IT staff turnover over the last 12 months? (Comparison 2004/05/06/07)

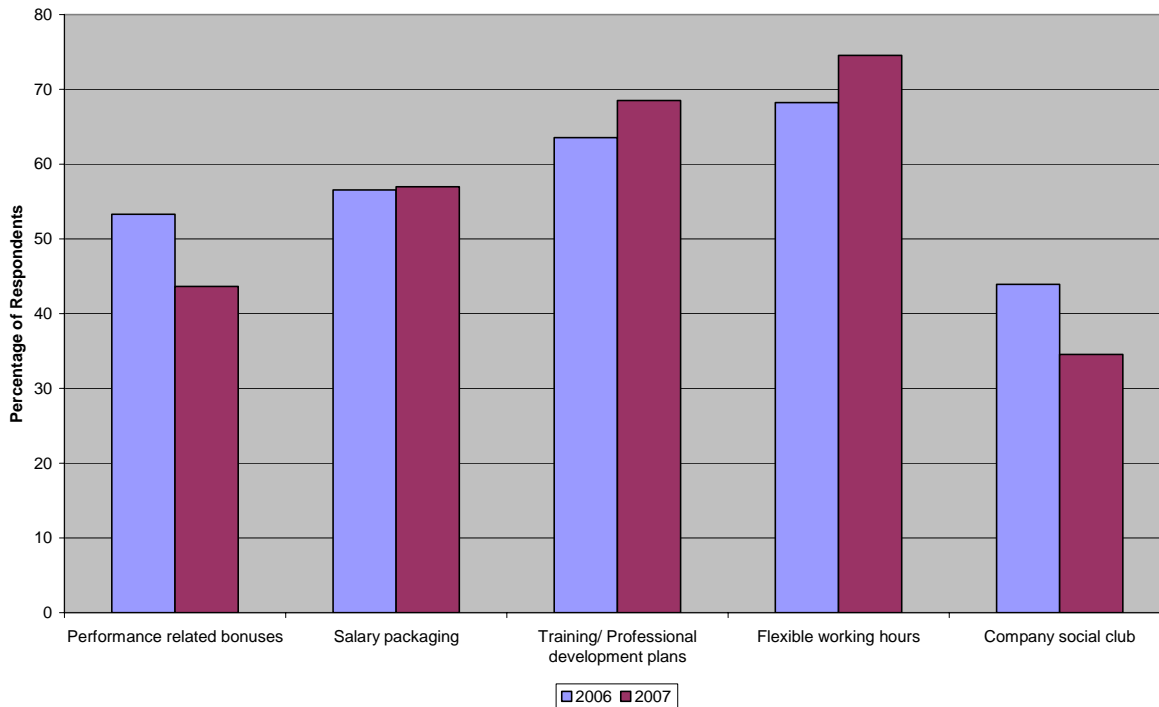


7.3 Of the people who left in the last 12 months, what % was involuntary and what % was voluntary?



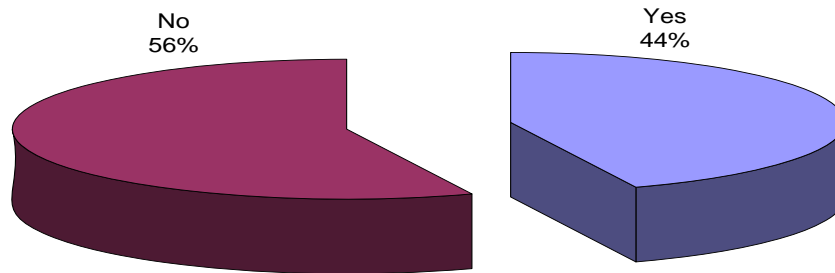
7.4 Which of these special initiatives does your organisation provide to improve your staff retention? (Comparison 2006/2007)

Organisations are more aware of the need to have retention strategies, but there has been a fall in the number offering performance bonuses.

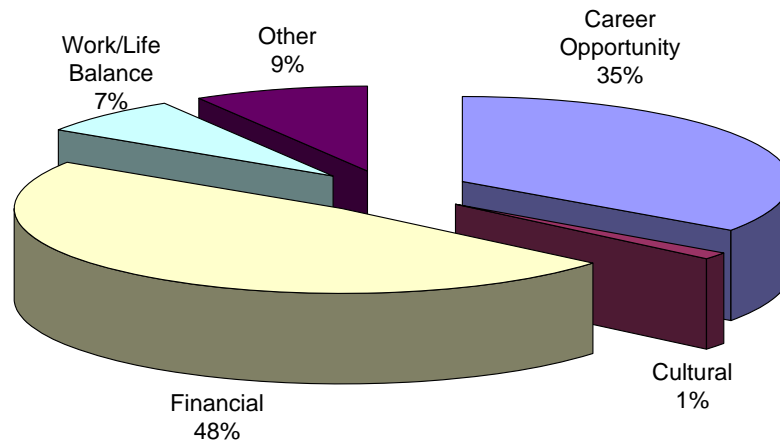


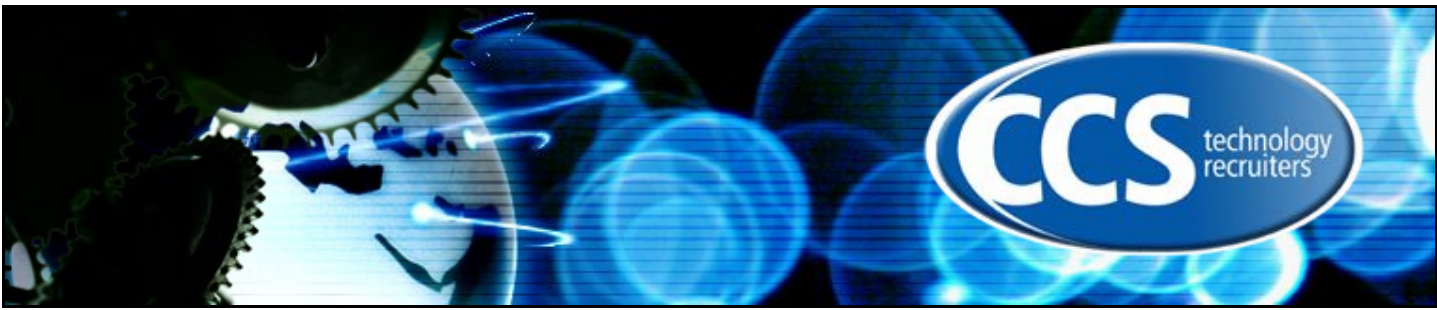
7.5 In the last 12 months, have you had employment offers to candidates rejected?

Perhaps the strongest indicator of demand is the fact that nearly half our respondents had experienced an offer they have made turned down.



7.6 If Yes, what has been the main reason for this?

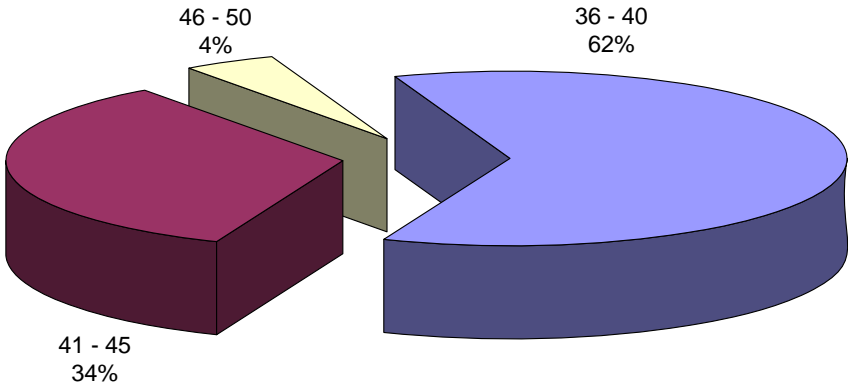




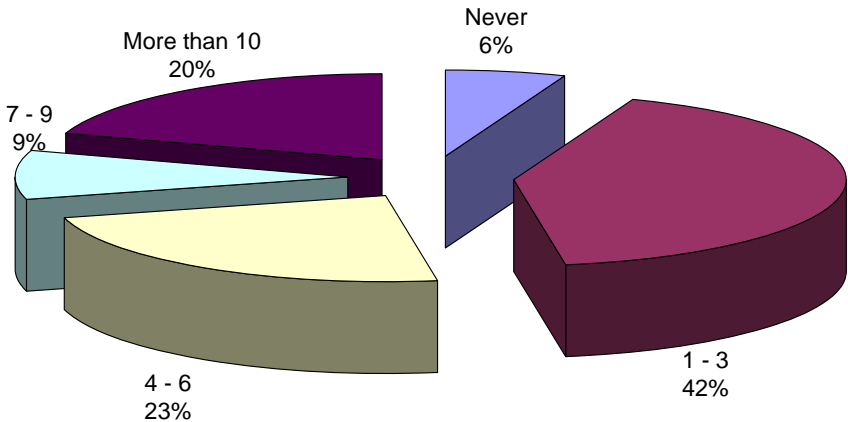
8. 'The Daily Grind'

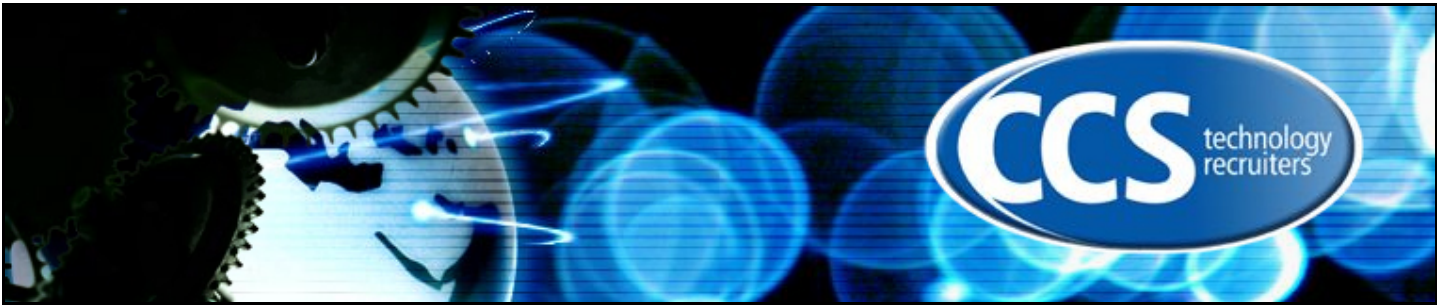
Whilst the reputation of the IT industry is for long hours, our survey shows the majority (62%) work less than 40 hours per week. Weekend work, however, is a part of an IT worker's life.

8.1 How many hours do you expect your IT staff to work per week on average?



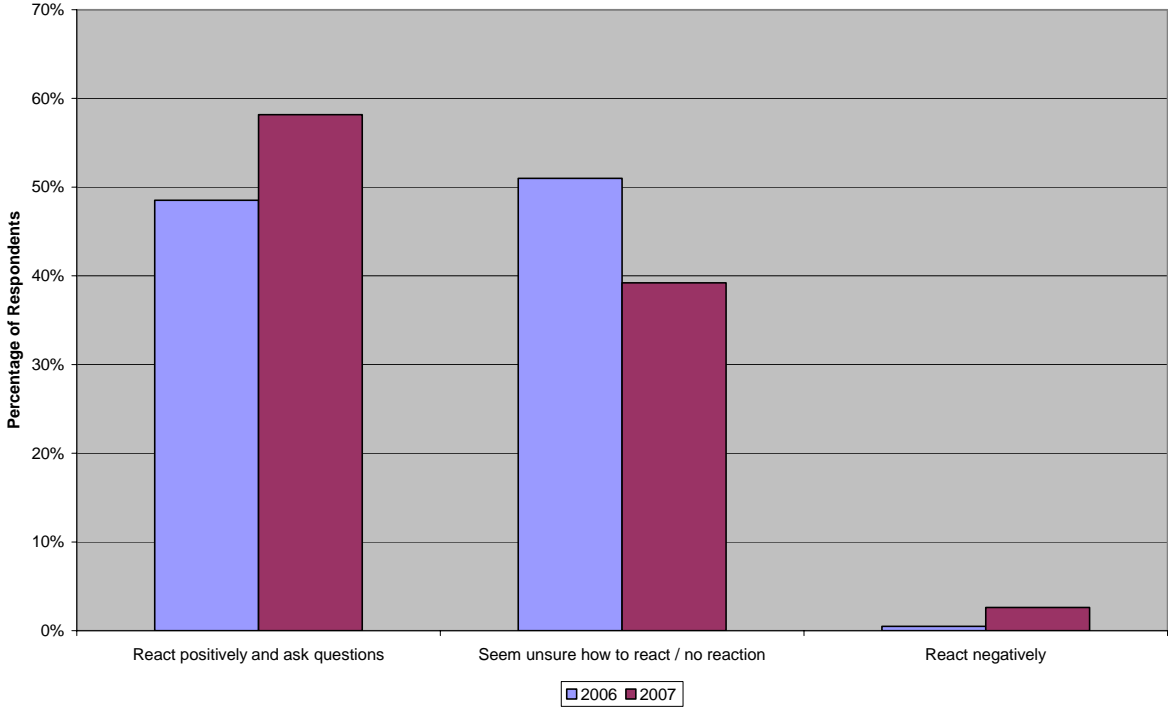
8.2 In a typical year, how many times would you require IT staff to work during a weekend?

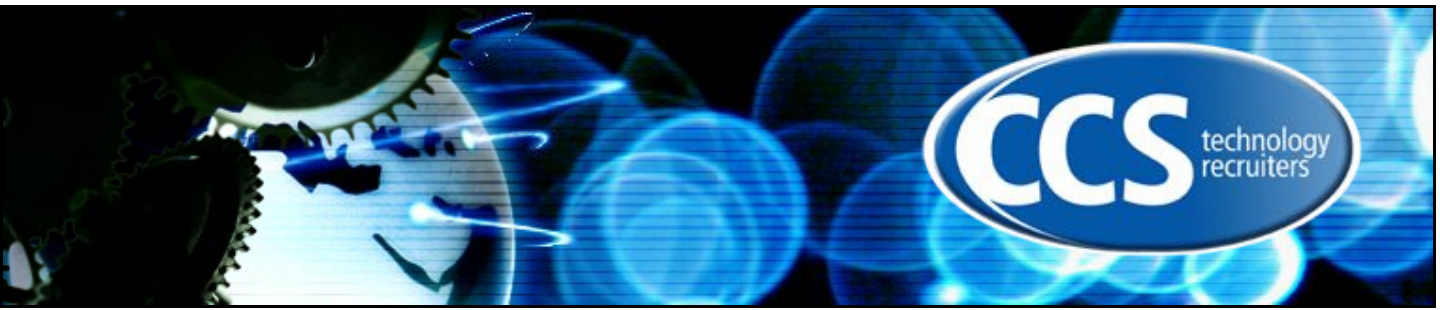




9. Barbeque Test

9.1 When you tell people that you work in IT, how do they react? (Comparison 2006/2007)





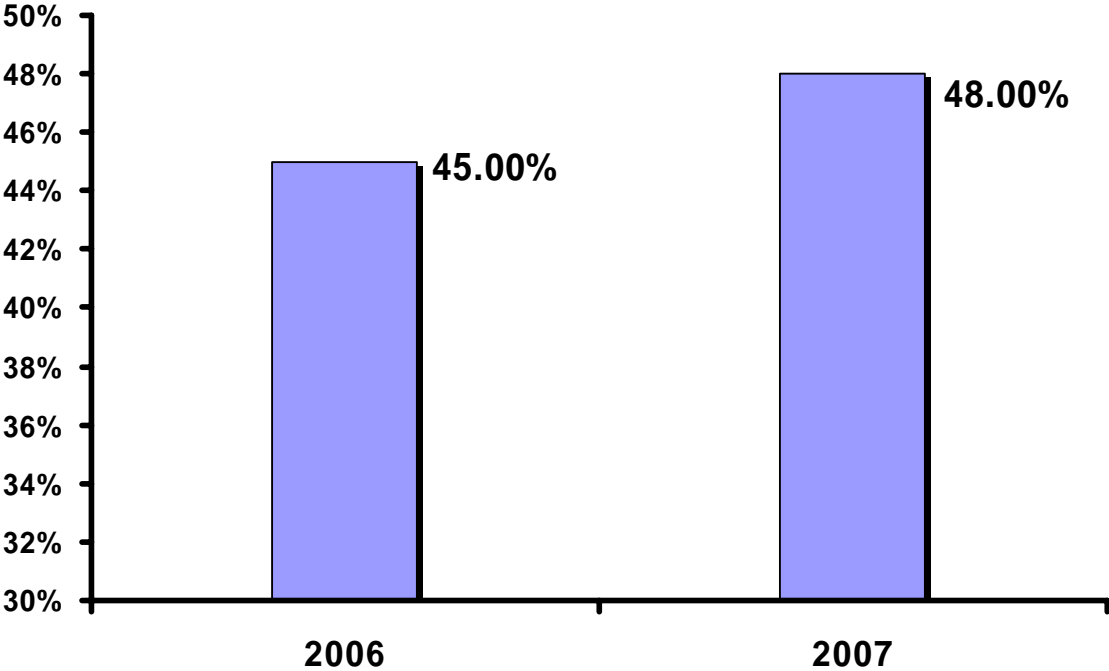
10. IT Health Check

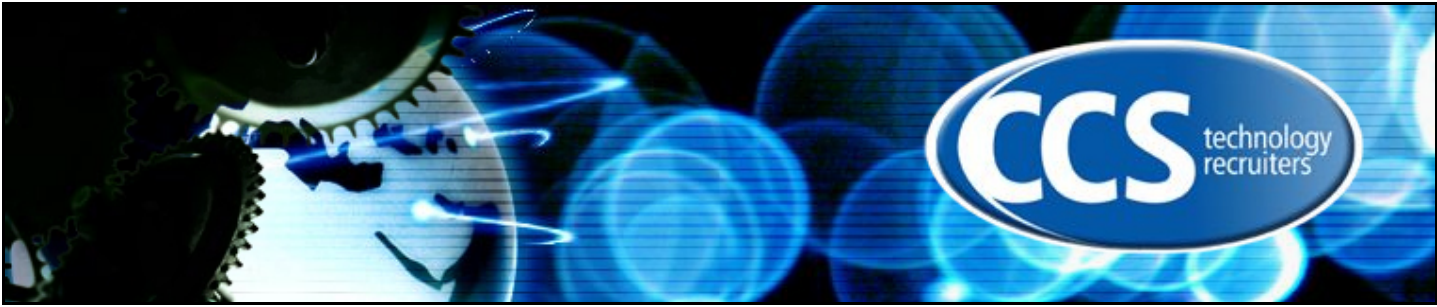
In order to assess the health of the IT industry, we asked respondents to indicate how strongly they agree or disagree with the following 5 statements, where a rating of 0 was strongly disagree and 5 was strongly agree:

- We can see that for the next 3 years demand for IT services and products will remain strong
- IT is meeting business demands and driving business improvement
- IT budgets are increasing as a % of company revenue
- The supply of IT talent is aligned to the demand for it
- The industry has a reputation for delivering value and results, on time and on budget

Converting the responses to a percentage, where 100% would mean a totally healthy industry and 0% would be totally unhealthy, our health rating for the IT industry has increased from 45 % 12 months ago to 48%.

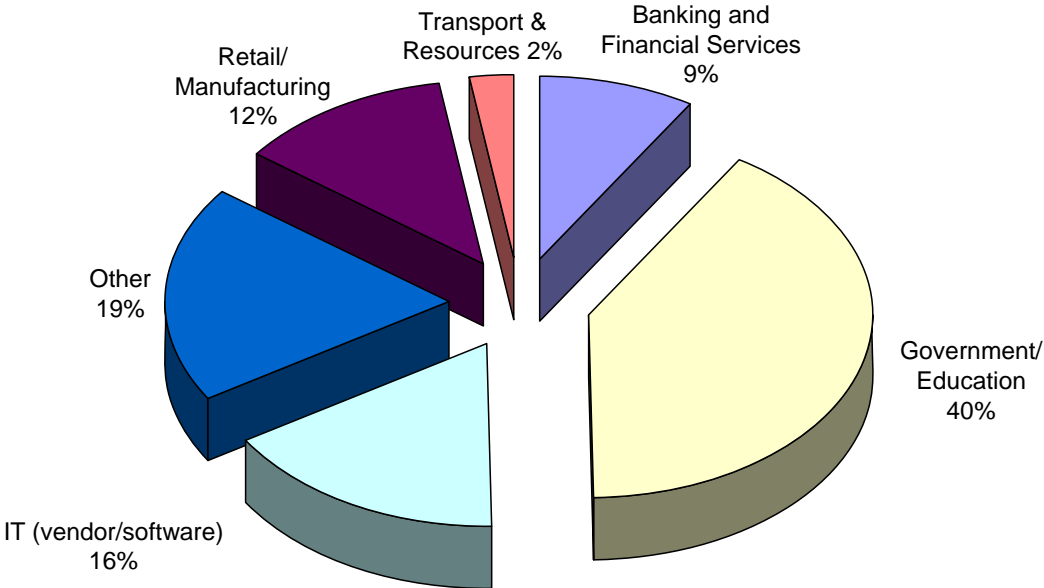
10.1 IT Industry Health Rating





About our sample

Survey respondents by Industry Sector



Survey respondents by Company Size (total employee numbers)

