

# THE AGE

Sylvia Pennington - October 7, 2011 - 9:50AM



## IT salaries to rise

IT skills shortage continues, brings more cash to the right professionals.

### **It's still a seller's market for those with the right skills.**

Economic uncertainty has pushed the IT sector back into contract and salaries up as industry braces for a serious shortage of IT professionals.

Business analysts, Java developers and network engineers are in demand and can expect their remuneration to rise by 5 to 10 per cent over the next six months, according to research from Candle, the IT recruitment division of the publicly listed company Clarius Group.

Released late last month, the Candle Skills Index predicts a shortfall of around 1100 IT professionals and increased competition between organisations to attract qualified staff.

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Candle's executive general manager Linda Trevor says business analysts can expect to command \$100/hour and permanent annual salaries of \$130,000 by March 2012.

Java developers will see their hourly rates rise from \$95 to \$105 and salaries increase from \$120,000 to \$130,000 per annum.

Network engineers will enjoy similar increases, with average salaries of \$120,000, up from the current rate of \$110,000.

Smartphone developers should continue to find their skills in high demand, with rates of \$100/hour and salaries of up to \$130,000 on offer in the Sydney market.

In the ERP space, demand for SAP and Oracle consultants is expected to remain buoyant, with hourly rates of \$100 and salaries of \$140,000.

Those working at a senior level should continue to earn significantly more. According to Peoplebank CEO Peter Acheson, SAP project managers are commanding daily rates of up to \$2500.

Trevor says the IT recruitment market cycles continuously between contract and permanent positions. At the moment, it's firmly favouring the former – but by early next year it may be a different story.

"Whenever there's talk of economic problems, we see a move to contract staff," Trevor says.

Acheson agrees. Back in June and July, there was a strong call for permanent people but a bad news-filled August has seen that trend reverse.

"The contract market has become more buoyant, because of uncertainty in the financial markets," Acheson says.

"I expect by February or March it may be back to permanent. Contractors are the classical variable workforce. They're turn up and turn off."

According to Acheson, contractors make up 40 per cent of Australia's 400,000-strong IT&T workforce. While the threat of global recession continues to loom, for now there are still plenty of jobs for them to turn up for.

Over the next year, these will include 1000 new positions in Canberra, as major system enhancement projects across all federal agencies continue to gather steam.

The public sector upgrade coincides with a ten-year refresh cycle for Australia's corporate sector.

Many organisations last upgraded their core systems and platforms in response to the Y2K threat and the introduction of the GST and are now planning, or in the throes of, major infrastructure overhauls, Acheson says.

Australia's big four banks are collectively spending billions on IT, while the implementation of the Smart Grid has necessitated upgrades across the utilities sector.

In addition, the resources sector is investing heavily in systems to underpin every stage of mining process, from design to the measurement of output, and the NBN project continues to absorb manpower.

"Demand for people in the IT market in the last couple of years has been very strong and continues to be, despite recent permutations in the financial markets," Acheson says.

"IT has become far more ubiquitous in the last ten years and it's now seen as a core enabler and source of competitive advantage."

The sellers' market spells good news for recruiters too, with their 15 to 20 per cent margins on salaries and rates less likely to be quibbled over when resources are in short supply.

"At the moment it's a candidate-short market so people don't question the rates," Trevor says.

"The biggest concern for employers is that they may be forced to hire people who are less experienced, as a result of the skills shortage.

"This can affect project delivery times."

Using overseas workers is an option for some employers – but only those who are prepared to hire a permanent staffer on a skilled sponsored visa.

"As well as taking time, it's a bigger risk for companies than taking on a contractor," Trevor says.

Recruitment firms cannot sponsor workers themselves, although the industry continues to lobby against the ruling.

While seasoned professionals may have no shortage of job offers, prospects are less rosy for graduates, especially in a contract-skewed market where new hires are expected to hit the ground running.

According to Trevor, many are having to head to Asia to gain the experience that employers demand.

"People are going to Singapore and Hong Kong...they can get work straightaway there."

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