

## MARKET UPDATE

There are certainly some nerves about the future for Australian business. Interestingly this isn't reflected in the current business conditions that Balance Recruitment is witnessing, which are unexpectedly strong. We believe that many of our clients are seeing solid yet unspectacular trading conditions whilst feeling uncertain about the future. This has driven a strong contracting market which enables companies to deliver on the here and now, yet gives them flexibility should conditions change.

The permanent side of the market is significantly softer though.

Whilst we're talking about soft market conditions, let's have a look at Canberra. For as long as we can remember Canberra has had a paucity of skilled IT professionals. Any perceived skills shortage across Australia was always dwarfed by the talent drought in the ACT. However as the Federal Government has tried to save its way into surplus, the market has changed. Large swathes of the government have stopped hiring, leaving numerous skilled IT contractors on the sidelines. We are now seeing plenty of ACT based job-seekers looking for roles in Sydney, which was a rarity until a few months ago. The lack of Government spending has also affected a host of other ACT businesses. The Government's unwillingness to spend has filtered down to vendors and other suppliers to Government... which is pretty much everyone in Canberra. It could be worse, you could be in Perth or Hobart.

### Head Hunting

The last 6 months have seen the development of a two paced employment market. When dealing with people who are currently unemployed, you'll find them refreshingly negotiable, especially those in the areas of Project Management, Business Analysis and Testing. On the flip side, those with a permanent role will often prove quite demanding, cynical and inflexible. Unless there are issues with their current employer or role, people need an increasingly large carrot to compensate them for the increased risk of moving.

The problem is exacerbated when candidates are "head hunted". Obviously no one actually head hunts – what a crude and primeval concept. We use social media to create candidate pools, tap into our networks and reach out to the passive candidate market using tools like LinkedIn. It's certainly not head hunting... except to the person on the other end of the phone. How often have you heard a candidate or colleague proclaim, "I left ACME because I was head hunted!!!!"? Have you ever heard anyone joyously recount, "I left ACME because I saw an ad on Seek"? Almost certainly not. And therein lies the

challenge with using LinkedIn and other head hunting tools. An unsolicited approach to an individual increases their perceived worth and in many cases results in a salary demand that looks suspiciously like a phone number. Also candidates who are head hunted have far less commitment to changing roles than those who have actively applied for them. They tend to be more entrenched, less likely to jump ship, yet really enjoy window shopping. This results in a higher rate of declined offers with employers sometimes being embarrassingly left at the altar.

### The Dollar

The big driver for the IT recruitment landscape over the coming months may prove to be the Australian dollar. At US\$1.10, offshoring held massive appeal, which hurt the domestic employment market. At US\$0.90, offshoring loses a touch of its lustre, but is it enough to see a true diminution in the offshoring trend? Unfortunately, the current 12% loss for our "Pacific Peso" against the US Dollar and mere 6% against the Indian Rupee has barely dulled the compelling financial case for offshoring. So, while a week in Disneyland has just become more expensive, the weaker currency does present benefits to many Australian businesses. However, unless we see a significant continued weakening of the Dollar against all currencies, the scourge of offshoring will continue.



"SIR, IT LOOKS LIKE 'MILTON AND CLAYBORN' ARE TRYING TO LURE AWAY SOME OF OUR PEOPLE AGAIN."

# the balance

## SALARY SNAPSHOT

JULY 2013

**BALANCE**  
**RECRUITMENT**  
 SUCCESSFUL PEOPLE

| Job Titles   | PERMANENT |        |          | CONTRACT    |              |
|--|-----------|--------|----------|-------------|--------------|
|  | Low       | Mid    | High     | Mid         | High         |
| CIO  | N/A       | \$200K | \$300K++ | \$1200-1500 | \$1500-1800+ |
| IT Manager (5-10 headcount)                              | \$110K    | \$130K | \$150K   | \$800-1000  | \$1000-1200  |
| Enterprise Architect                                     | \$150K    | \$170K | \$200K   | \$1050-1250 | \$1300-1450  |
| Architect - Solution or Information                      | \$120K    | \$140K | \$165K   | \$800-1000  | \$1100-1200  |
| Architect - Infrastructure                               | \$110K    | \$125K | \$140K   | \$850-950   | \$1000-1150  |
| UX Designer  | \$120K    | \$140K | \$160K   | \$800-950   | \$1050-1250  |
| Program Manager  | \$130K    | \$150K | \$170K   | \$1000-1100 | \$1150-1350  |
| Senior Project Manager                                   | \$120K    | \$135K | \$155K   | \$900-1000  | \$1000-1100  |
| Project Manager  | \$95K     | \$110K | \$135K   | \$750-850   | \$900-1000   |
| Business Analyst   | \$70K     | \$95K  | \$120K   | \$650-850   | \$900-1000   |
| Scrum Master   | \$115K    | \$135K | \$145K   | \$1000-1150 | \$1200-1350  |
| Agile Coach  | \$130K    | \$150K | \$170K   | \$1050-1300 | \$1350-1600  |
| Development Manager                                      | \$110K    | \$140K | \$170K   | \$900-1000  | \$1050-1250  |
| Test Manager   | \$100K    | \$120K | \$150K   | \$800-950   | \$1000-1150  |
| Software Developer (Java, .Net)                          | \$75K     | \$90K  | \$120K   | \$600-800   | \$800-950    |
| Web Developer - Front End (HTML, CSS, Javascript, Flash) | \$70K     | \$85K  | \$110K   | \$500-640   | \$650-800    |
| Web Developer - Back End (Php, RoR)                      | \$70K     | \$90K  | \$120K   | \$500-650   | \$700-850    |
| Phone Developers (iPhone, Android)                       | \$70K     | \$85K  | \$100K   | \$500-640   | \$650-750    |
| Test Analyst (Manual/Automation)                         | \$70K     | \$90K  | \$110K   | \$550-700   | \$700-850    |
| Performance Tester                                       | \$90K     | \$120K | \$140K   | \$700-850   | \$850-950    |
| DBA  | \$70K     | \$100K | \$125K   | \$750-850   | \$900-1050   |
| BI Analyst   | \$85K     | \$105K | \$125K   | \$750-900   | \$900-1050   |
| ERP Consultant (SAP, Oracle, Peoplesoft)                 | \$85K     | \$115K | \$145K   | \$950-1100  | \$1100-1300  |
| Network Engineer   | \$80K     | \$100K | \$120K   | \$650-750   | \$800-900    |
| Security Engineer  | \$85K     | \$110K | \$130K   | \$750-900   | \$950-1100   |
| Unix Systems Engineer                                    | \$70K     | \$90K  | \$120K   | \$650-750   | \$800-900    |
| Windows Systems Engineer                                 | \$70K     | \$90K  | \$115K   | \$650-750   | \$750-900    |
| Help Desk Manager  | \$75K     | \$85K  | \$100K   | \$550-650   | \$650-750    |
| Desktop/PC Support Analyst                               | \$50K     | \$65K  | \$80K    | \$380-440   | \$450-550    |
| Help Desk Analyst  | \$45K     | \$50K  | \$60K    | \$300-350   | \$360-420    |
| Pre-Sales Consultant                                     | \$90K     | \$120K | \$145K   | N/A         | N/A          |
| Account Manager  | \$60K     | \$80K  | \$120K   | N/A         | N/A          |
| Business Development Manager                             | \$70K     | \$90K  | \$150K   | N/A         | N/A          |

\*The salaries quoted are base salaries (exclusive of super).

\*The contract rates quoted are charge rates (inclusive of superannuation, payroll tax, workers comp, professional indemnity and public liability insurances and agency margin) exclusive of GST