

# Why the NSW Government is losing the tech talent war



AND HOW THEY CAN WIN IT

**BALANCE**  
RECRUITMENT

# Executive Summary

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Technology leaders in the NSW Government face a significant challenge.



*We are faced with a perfect storm – Australia has structural shortages in technology talent, demand is rapidly increasing for specialist skills, and the NSW Government is undertaking massive digital transformation projects. The ability to attract the right technology talent into the NSW public sector is critical for the long-term success of these projects.”*

**ROGER BRANT, EXECUTIVE SEARCH - NSW GOVERNMENT**

*Balance Executive Recruitment (NSW Government IT Executive Panel Recruiter)*

The government has broad ambitions around digital transformation. During 2016/2017 NSW Government spending on IT tipped over \$3 billion for the first time, and it is expected to exceed this again in 2018/2019 due to major IT projects in transport, health, and justice.

At the core of the NSW Government’s digital transformation strategy is finding the right people. Currently this is a significant challenge.

In Australia, there are broad-based talent shortages across IT, with some particular in-demand job skills facing severe shortages.

In response to this shortage, high-profile employers are building a competitive advantage by investing heavily in strategies to attract high quality tech talent.

Against the backdrop of this talent shortage, the challenge of finding great people is exacerbated for the NSW Government by a legacy perception that working in the public sector is slow and archaic. This is further compounded by political turmoil at a federal level.

The NSW Government is undertaking some exciting and cutting-edge projects – but needs a more effective strategy on how to attract talent into their organisations. This needs to begin with gaining insight into what attracts the brightest tech talent and understanding how the NSW Government meets that need.

Actively marketing the employer value offering will enable the NSW Government to execute an effective multi-channel sourcing approach. This should include employment brand campaigns, commercial partnerships, educational partnerships and start-up community partnerships to ultimately attract the best tech talent required to achieve digital transformation.

This report looks at understanding these challenges and provides some key recommendations on overcoming them.



# Understanding the IT talent shortage

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The technology industry shortage in Australia is structural and not specific to government.

According to the Deloitte/Australian Computer Society's Digital Pulse Report, Australia's ICT workforce grew by over 20,000 (3.5%) to 663,100 workers in 2017. A further 100,000 ICT roles are forecast to be created by 2023.

The report highlights some alarming statistics regarding ICT graduate numbers. At current levels, 5,500 ICT graduates will come on to the market every year, far short of the annual requirement of 16,000 new workers.

A Seek study released early 2018 also showed that between 2016 and 2017 demand for IT talent rose a significant 15% during the 12-month window, and it has been steadily rising over the last 5 years - while the number of local Australia IT graduates has been in decline.

Unsurprisingly a 2017 survey by NAB found that almost 40% of organisations in Australia are struggling to attract the right technical talent to their organisation.

*“The lack of access to experienced global talent is the single biggest factor constraining the growth of the tech industry in Australia.”*

**MIKE CANNON-BROOKES, Atlassian**

Further, the changes in visa requirements brought about by the move from 457 visas to the Skilled Migration visa are yet to fully play out, but many of the previous IT sponsorship categories are now restricted, further restricting the talent pool. Concerns of the impact here may be eased by the Global Talent Scheme which has also started to roll out, but is yet to be widely adopted.

In early 2018 there are pronounced skills shortages for integration, analytics, big data, cybersecurity, SharePoint, cloud infrastructure, DevOps, full stack and front-end development.



This talent shortage is significantly impacting salaries, with Seek finding that from 2013 to 2018 Tech has overtaken mining as the hottest industry sector for salary growth.

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*What we are seeing is that candidates in information and communication technology are more motivated by salary and compensation than those in any other industry... We expect to see salaries for ICT roles continue to strengthen across every sector in the coming years.”*

**KENDRA BANKS, MANAGING DIRECTOR**  
**SEEK ANZ**

Of the top 20 highest paying jobs in 2018, 6 are now in the technology industry, with particularly strong salary growth and demand being seen for Solution Architects, Tech Management, Security, and Project and Program Management.

# The public sector needs to be more desirable to tech talent

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While the IT industry is faced with talent shortages across the board, this is exacerbated in the NSW public sector.

There may be a legacy perception of the public sector as being highly administrative and slow to adopt change. This is at odds with what appeals to tech talent currently.

NSW Government has a heavy reliance on 3rd party consulting firms, which may in part be due to the ability to attract the desired people. A 2017 audit of NSW Government spend on consulting services specifically around ICT found that annual spend on 3rd party consulting firms increased by 58% from 2012-2013 to 2016-2017, largely driven by the NSW Government's investment in their ICT systems implementations and infrastructure programs.

While there might be an assumption that the public sector has been slow to innovate, this is far from the reality. All across the NSW public sector, there are some incredible tech initiatives that are world firsts.

These include Service NSW running a trial utilising blockchain technology to underpin the development of digital driving licences in NSW which is an innovative and wide-reaching project: <https://www.service.nsw.gov.au/digital-driver-licence>.

NSW Health CIO and eHealth NSW CEO Zoran Bolevich recently announced they are piloting a proof of concept big data platform with the Royal North Shore Hospital as the basis for an enterprise-wide solution. This is part of a significant eHealth strategy for NSW Health that is being rolled out over the next ten years.

The open data hub initiative at Transport for NSW has over 10,000 registered users, over 2,500 registered applications and in excess of 2 billion API hits. This is a great example of Government working openly with the technology community by unlocking data in order to improve innovation and the user experience across the transport network. (reference - <https://opendata.transport.nsw.gov.au/open-data>).

You can see assumptions that the government is slow to innovate are outdated – yet what is true is that the government needs to do much more to establish a first choice preference for their employment brand.

Efforts have been made to improve the recruitment agency panel(s) along with the actual process of the recruitment process itself – however, it has not addressed the desirability of the NSW public sector.

“*Effectively positioning NSW Government as a leader in technology innovation in Australia will significantly enhance their ability to attract and retain the best technology talent.*”

**PAUL FOSTER, MANAGING DIRECTOR**  
*Balance Recruitment (NSW Government IT Executive Panel Recruiter)*



# The competition is fierce (and sexy)

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Fierce competition for talent has seen many organisations using smart tactics to get the best people to say yes to their organisation. Many organisations in the commercial sector are investing heavily in their ability to find and engage with tech talent. These include aggressive graduate programs, smart and well-funded employment brand campaigns, sponsoring industry events, hosting meetups and hackathons, generous compensation packages and incredible work environments.

Deloitte has launched technology consulting, cybersecurity, and data insight service offerings and is focusing heavily on attracting talent directly from the major Australian universities. In the past, this strategy is how the big 4 firms focused on building their accounting and finance businesses, and they are now applying this same strategy to secure the best technical talent at a graduate level.

Atlassian runs big budget, creative campaigns to attract talent. They drive these innovative campaigns with highly targeted advertising to get in front of new audiences. Atlassian is building a strong values-led culture which is a key part of their talent attraction program.

<https://www.themartec.com/insidelook/what-its-like-to-work-at-atlassian>

The Commonwealth Bank has been making strides in their efforts to attract tech talent, and they've even started to use virtual reality tours of their workplace in a bid to help engage with tech-savvy graduates.

It is worth noting that the NSW Government has been making inroads with graduates in particular. As an employer, the NSW Government ranked 12th in the GradConnection Top 100 employers list for 2018 which shows that there has been significant progress in this area, up from 40th during 2017. [[www.au.gradconnection.com](http://www.au.gradconnection.com)] However, only a small proportion of the overall graduate intake was in technology, with many of the graduates moving into administrative functions across NSW Government.

# To get the best talent, first, understand what they want

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Here at Balance Recruitment when we speak with people seeking their next role in the IT industry there are 3 core pillars that drive every single tech professional:

**Pillar 1.** A desire to work with technology led organisations

**Pillar 2.** A desire to work with best-in-class technology stacks

**Pillar 3.** A desire to work on projects with impact

## **Work with technology led organisations**

The best tech talent is passionate about technology and they're attracted to organisations that put technology at the heart of what they do.

## **Work with best-in-class technology stacks**

Working with best-in-class technology stacks is exhilarating and also supports the career ambitions of smart tech talent. If they are working with the best frameworks in a dynamic technology environment this will facilitate long term career success - which is what they are working towards!

## **Work on projects with impact**

Every great technical expert imagines creating solutions that have both scale and impact. They want their solution in people's hands and they find meaning and purpose in their products changing lives.



*When you interview great technical people, you can see their eyes light up when they talk about great projects that they have worked on. The best people want to make a real impact on the world using technology as their lever. They choose projects with real-world positive human outcomes at the core."*

**ROGER BRANT, EXECUTIVE SEARCH - NSW GOVERNMENT PANEL**

*Balance Executive Recruitment (NSW Government IT Executive Panel Recruiter)*

# So how can NSW Government attract the best?

## 1. Highlight the overlap between NSW Government's Employee Value Proposition (EVP) and what tech talent are really looking for

The first step to attracting the best talent into the public sector is finding the overlap between what tech talent are really looking for and the major projects currently underway in the government.

The NSW Government can analyse their environment against those 3 key pillars to identify the EVP that will attract talent into the public sector.

Here are some key questions that can be asked for each government agency in determining their EVP:

**Pillar 1.** How is this government department embracing digital transformation? What is the future roadmap for digital transformation?

**Pillar 2.** What key technologies can people expect to be using as part of this project? What new frameworks and technologies will they learn?

**Pillar 3.** What will be the scale and magnitude of this project? What will the real world impact be?

Several major government departments have a technology-led approach while undergoing digital transformation projects. All of these projects are using state of the art project management frameworks, programming languages, and technology stacks. There is a substantial and unique opportunity for tech talent to be involved in these projects.

*"The public sector has a real opportunity to tap into tech talent's desire to work on projects with impact by highlighting the scale and magnitude of what's possible when working with the NSW Government."*

**ROGER BRANT, EXECUTIVE SEARCH - NSW GOVERNMENT**

*Balance Recruitment (NSW Government IT Executive Panel Recruiter)*

For projects with scale and impact, there are few if any sectors that are as compelling as the public sector. Tech talent has the opportunity to work on health, education, transport, the law, cybersecurity – issues that affect every single person in Australia.

Cybersecurity is a key concern for the government that widely impacts the Australian people, and the opportunity for big data analytics within the healthcare system also has the potential to improve and save lives.

## **2. Actively promote how jobs with the NSW Government meet the 3 key pillars being sought by IT talent**

Once NSW Government has clearly defined its employee value proposition (EVP) for career opportunities within its major digital transformation projects, the next step is to proactively promote and communicate this EVP to the wider IT industry.

The first step is engaging thought leaders in senior positions across NSW Government to articulate the technology revolution being undertaken and the career opportunities that this revolution creates, and then communicate this EVP to the ICT industry.

In September, at the NSW Government Digital Marketplace, several technology leaders across a range of Government departments used this forum to update the audience on a range of technology and digital initiatives. Whilst this is commendable, it was also an opportunity missed to put talent attraction into the mix of discussions.

Executives and senior stakeholders in NSW Government need to engage the candidate community more directly and communicate the human impacts of the transformation being undertaken. Reference (<https://www.governmentnews.com.au/out-of-the-silos-collaboration-underpins-nsw-digital/>)

Creating and promoting more content, events, and resources that engage the tech community in major government projects may help highlight the breadth and depth of career options and will attract new talent to the public sector. Allowing technology teams more freedom to be creative in interacting with the tech community can create a groundswell of interest.

Hosting hackathons with graduate tech talent to engage them with major NSW Government projects will help raise awareness of the scope of digital transformation and could attract more graduate applications.

### **3. The New Guys – Overlooked, Underutilised**

Highly educated, highly skilled, highly motivated, highly mobile and highly flexible on salary - new immigrants to Australia are an often untapped candidate pool.

The ICT sector currently provides a great illustration of the supply issues for talent across all skilled roles. There are 5,500 new IT graduates entering the Australian market annually and a forecast increase in roles of some 16,000. This shortfall will largely be filled with new immigrants.

New immigrants are not only frequently overlooked for roles but frequently discriminated against. There is the apparent belief that most immigrant candidates must take a significant step backwards to gain local experience before their skills are considered suitable to be employed in the Australian workplace.

On occasions this is overtly stated by employers or it can be implied by consistent rejection of this cohort of candidates. Often third parties (internal and external recruitment teams) make decisions on the basis of the beliefs they believe their customer's hold.

NSW Government should be actively ensuring these candidates are considered for their roles.

We suggest the following steps:

- Clearly articulating to all stakeholders in the recruitment process that new immigrants (with appropriate working rights) form a key component of the Government's sourcing strategy
- Explore the use of International English Language Test Scores (IELTS) to eliminate personal bias regarding communication skills. Setting an IELTS benchmark for a role will ensure that a candidate's accent is not interpreted as an inability to communicate
- Where possible ensure interview panels are diverse and include individuals from an immigrant background

Those organisations that effectively utilise the skills of individuals from immigrant backgrounds will have a massive advantage in the war for talent.

### **4. Get them while they are young**

There is also an opportunity for an improved focus on university graduate programs.

The NSW Government is already having success running graduate programs for tech talent where new tech talent rotate across various departments.

<https://au.gradconnection.com/employers/nsw-government/jobs/nsw-government-2018-nsw-government-graduate-program-ict-roles/>

There is a challenge here though – they are competing with the previously mentioned “sexy” organisations at the graduate level and it’s a challenging market.

There is an option for the NSW Government to look towards the cadetship model previously used by the big 4 accounting firms, offering promising high school graduates a combination of paid work experience combined with university study over a 6-year period to secure bright young talent earlier in their careers.

## **5. If you can’t beat them, join them**

The alternative to competing with other major employers and the “hot new startup” is to partner and collaborate with them.

NSW Government can run graduate programs, hackathons, events, meetups, internships, and sponsorships in partnership with other major employers to collectively lift the total number of graduates focusing on STEM subjects and joining the tech industry.

Given that the public sector is already the major clients of the large consulting and professional services firms, it’s likely that they will be willing collaborators in these types of projects. NSW Government partnering with the large consulting firms will enable them to benefit from the consulting firm’s strong employment brands.

## **6. Get outside of the box**

Rather than think just outside the box, the NSW Government has an opportunity to actually get out of the box by thinking specifically about their working environment.

Whilst some progress has been made, there remains an opportunity for a greater physical presence in technology hubs, co-working spaces, and tech incubator programs.

Looking at where the technology talent will be, the proposed Alexandria Technology business park (and the proposed but seemingly forgotten White Bay technology park) creates an opportunity for NSW Government to have a physical presence where tech talent will be spending their time. Hosting project teams in these environments will help attract new talent, while also raising the government’s profile as an employer of choice.

The Stone & Chalk fintech hub in Sydney (<https://www.stoneandchalk.com.au/>) provides a good example of how an incubator hub is partnering with commercial organisations to drive tech innovations.

If the NSW Government is actively participating in the tech industry in the environment that innovation is happening, this will also significantly raise their employment brand presence.



## **7. Partner with the right people**

When you choose to outsource your recruitment to a third party, it can be difficult to ascertain the level of service you will receive.

With over 300 participants on the NSW Government Contingent Labour (SCM0007) panel and numerous different players on Talent Acquisition Scheme (SCM0012) making the right choice is vital; not only to get you the right results but also to ensure your brand is promoted effectively and appropriately.

As a minimum Balance Recruitment recommends the following:

- Ensure the service provider is appointed to the correct panel
- Understand who will be performing the actual recruitment – is it a seasoned professional? What is their specialisation?
- Ask the supplier for similar reference clients
- Ensure they can effectively market your business and understand the key selling points of the role
- Ensure they have strong personal networks and don't just rely on ads on job boards – generally the best candidates are not actively looking

When you partner with Balance Recruitment, you have a team that understands the context in which tech talent is choosing their next role.

Our team are some of the most experienced tech recruiters in the market with an average of 20 years of experience per consultant. And with long standing relationships at a senior level covering both Executive Recruitment and Non-Executive ICT Recruitment, we are extremely effective at communicating your vision and job opportunities to our well established network of professionals, built on our teams 200+ years of NSW IT and Executive focused recruitment experience.

# Who is doing it well?

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So, who in the government is already doing a great job of attracting new technology talent into the public sector?

As part of the Federal Cybersecurity Strategy, there have been many initiatives to help attract the right talent.

A great example is the federal government's participation in the Cyber Challenge. The federal government is a major sponsor of a project that sees people currently studying cybersecurity compete in building solutions to various real-world problems. (<https://cyberchallenge.com.au/#CySCA2018>)

In this way, the federal government is able to significantly raise awareness of the type of work involved with cybersecurity at a federal level while simultaneously building relationships at a graduate level.

Also, the recently launched Joint Cyber Security Centre (JCSC) in Sydney is designed to facilitate stronger partnerships between various government bodies and the private sector, with over 101 organisations collaborating across government, academia, defence, finance, transport, health, energy, education and mining.

The Digital Transformation Agency (DTA) formed to build simplicity for Australians when interacting with Government recognised the limitations of having Canberra as its sole location. An office in Sydney was established and has been thriving in attracting high quality technology and digital professionals.

A great example of a state government initiative is that the Victorian Innovation Hub has funded the opening of the Blockchain Centre in Melbourne: <https://blockchaincentre.com.au/>)

While participating in an incubator hub isn't directly related to recruitment, it increases awareness within the target demographic, of opportunities within the public sector resulting in top tech talent becoming more open to considering a career in the public sector.

# How can Balance help?

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Founded in 2007, Balance Recruitment is a specialist provider of IT and executive recruitment services. We recruit both contract and permanent roles, and are approved suppliers on both the NSW Government Contingent Labour (SCM0007) and Talent Acquisition Scheme (SCM0012) panels.

The team at Balance is comprised entirely of highly experienced recruiters with an average of 20 years of experience. We're respected specialists in our field and have an exceptional track record of delivering results that ensure our customers come back time after time.

Our networks cover both the private and public sectors, allowing us to advocate the benefits of a transition to government jobs, to those entrenched in the corporate world.

Our level of experience means you are working with a true professional that can help position your organisation ahead of your competitors; truly listening and understanding your business needs, allowing us to source individuals who make your organisation better.

## **Balance Recruitment**

*Approved NSW Government IT Executive Recruiter (SCM0012)*

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# Executive Profiles

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## **ROGER BRANT**

### *Director - Executive Services*

*Masters of Business Coaching, University of Wollongong,  
Sydney Business School*

*Began career in Recruitment in 1998*



Roger is a highly respected, accomplished and successful recruitment professional with over 20 years' commercial experience in recruitment delivery, management and executive coaching.

During Roger's career, he has achieved outstanding results running both listed and private recruitment firms along with overseeing relationships with some of the largest customers in the country. He has strong operational and strategic expertise and has made good use of the "battle scars" he has collected throughout his successful career.

Roger specialises in Technology, Digital, Sales, Human Resources, Procurement and CxO. Roger is also a highly qualified Executive Coach (he completed his Master's in Business Coaching at the University of Wollongong - Sydney Business School in 2018). This unique blend of recruitment and coaching is unique in the Australian market. Roger's expertise in both sourcing and developing people is unrivalled in the Australian workplace context.

# Executive Profiles

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## **PAUL FOSTER**

### *Managing Director*

*Bachelor of Science, Statistics, Macquarie University, NSW*

*Began career in recruitment in 1991*



After 25 years in recruitment, Paul's wisdom and experience is highly regarded and sought after within the industry. He's known in industry circles as a thought leader on all matters recruitment. He provides guidance to the industry community through mentorship of individuals moving into leadership roles in recruitment through his involvement with the RCSA and has placed candidates in some of the most senior executive IT positions in the country.

Paul is an outspoken leader on fighting discrimination in recruitment – he champions fairness and equality for all. He has appeared on television and radio discussing discrimination issues and driven Balance's involvement in partnerships with universities on internationally published studies into racism in recruitment. Paul lives and breathes Balance's Value: Embrace Diversity: All people, all walks of life. Discrimination stops here!

In business, he believes understanding the DNA of his customers, some of whom have been depending on his expertise for more than 15 years and matching that to his candidates, results in outstanding outcomes for everyone involved. What puts a smile on his face is enabling career-defining moments for his candidates.