

ABSOLUTE IT IT SALARY REPORT

absoluteIT
RECRUITMENT SPECIALISTS

November 2010 – August 2011

The AbsoluteIT Salary Report provides comprehensive insight into real-time salary and contract rates paid in New Zealand's ICT industry. It draws on data from the more than 20,500 anonymous entries into the IT Salaries website www.itsalaries.co.nz.

SUMMARY OF KEY FINDINGS

- Software Development, Testing, Web Developers, Managers have all experienced increases in remuneration
- Salary decreases are evident in for Sales Execs/Account Managers, all levels of Software Architects, IT Security and Network Administration
- The base median salary has decreased marginally by -2% in the past 9 months down from \$76,500 to \$75,000
- The total value of overall employment packages has decreased by 3.1% down from \$80,000 to \$77,500
- There has been no change in the average contract median hourly rate \$80 or upper quartile rate \$100, however the lower quartile has increased by \$5 to \$55
- 17,182 roles are permanent salaries, up by 2,643 salaries in the past 9 months
- 3,348 roles are contract/part-time/casual/Interim rates up by 340 in the past 9 months

MARKET SYNOPSIS

A slight fall in median base salary rates over the past 9 months reflects a current hiatus in IT spending as new initiatives are slowly rolled out in the face of reduced funding, pressure on retaining head-count and election-year uncertainty.

Some organisations are focusing on maintenance, improvement and fine-tuning rather than investing in new projects which is reflected as increases in remuneration rates for these type of skill sets sought. There are pockets of increased recruitment activity especially as some Government agencies need extra staff to support the role out of new systems and services.

However, we expect to see a gradual rise in recruitment activity following the election and into the next three years alongside continued industry growth and a new round of public sector investment in infrastructure and platforms. The demand for skilled IT talent will continue to outstrip supply over this period.

Auckland leads New Zealand with high recruitment activity in most IT sectors, especially in permanent employment which perhaps reflects a more confident view of the economy and, in turn, we expect this will add pressure to remuneration rates in the coming 6 months.

Wellington has a preference for contract employment as uncertainty continues with Government realignment.

And, when it comes to pay parity in New Zealand's ICT sector there is still a significant gap. Salaried men earn an average of 7.8% more than women while the average contract hourly rate for men is 12.5% higher than women.

However, more women enjoy flexible working hours perhaps indicating employer willingness to cater for needs around working mothers.

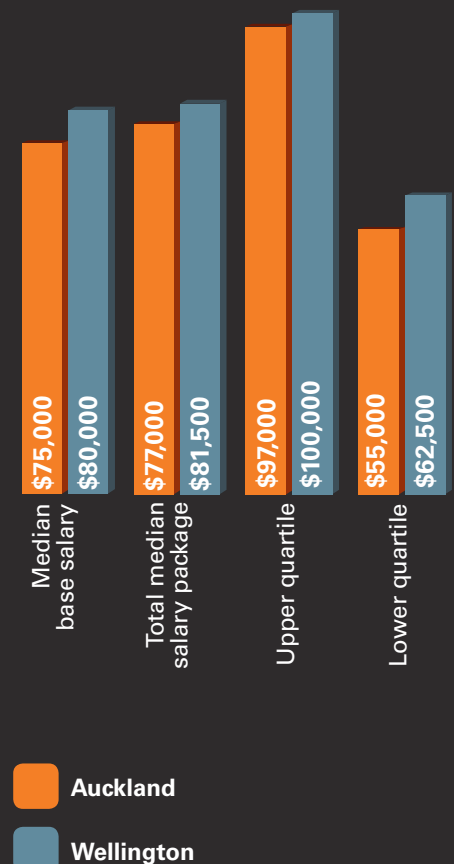
Auckland vs Wellington

Auckland

- Median base salary \$75,000
- Total median salary package \$77,000
- Upper quartile:\$97,000,
- Lower quartile:\$55,000
- 33% receive bonuses/commissions

Wellington

- Median base salary \$80,000
- Total median salary package \$81,500
- Upper quartile:\$100,000
- Lower quartile:\$62,500
- 32% receive bonuses/commissions



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PERMANENT SALARY DATA

| Title | Date Range | Lower Quartile \$ | % Change | Medium Quartile \$ | % Change | Upper Quartile \$ | % Change |
|-------------------------------|------------|-------------------|----------|--------------------|----------|-------------------|----------|
| Architect | Oct-10 | 98,500 | | 111,500 | | 130,000 | |
| | Jun-11 | 100,000 | 1.5% | 115,000 | 3.1% | 131,250 | 1.0% |
| Business Analyst | Oct-10 | 62,000 | | 80,000 | | 90,000 | |
| | Jun-11 | 65,250 | 5.2% | 80,000 | 0.0% | 90,000 | 0.0% |
| Consultant BI/CRM | Oct-10 | 70,500 | | 85,500 | | 109,500 | |
| | Jun-11 | 80,875 | 14.7% | 100,500 | 17.5% | 120,000 | 9.6% |
| Consultant ERP/Supply | Oct-10 | 80,000 | | 95,000 | | 115,000 | |
| | Jun-11 | 89,250 | 11.6% | 97,500 | 2.6% | 116,625 | 1.4% |
| Consultant | Oct-10 | 73,000 | | 83,500 | | 115,000 | |
| | Jun-11 | 66,000 | -9.6% | 85,000 | 1.8% | 103,000 | -10.4% |
| Data Record Management | Oct-10 | 50,000 | | 51,500 | | 60,000 | |
| | Jun-11 | 58,750 | 17.5% | 62,000 | 20.4% | 66,250 | 10.4% |
| DBA Database Developer | Oct-10 | 62,000 | | 75,500 | | 90,000 | |
| | Jun-11 | 65,000 | 4.8% | 80,000 | 6.0% | 96,250 | 6.9% |
| Hardware Engineer | Oct-10 | 32,000 | | 42,000 | | 60,500 | |
| | Jun-11 | 36,375 | 13.7% | 48,750 | 16.1% | 63,750 | 5.4% |
| Help Desk/Support | Oct-10 | 41,000 | | 47,500 | | 54,000 | |
| | Jun-11 | 41,000 | 0.0% | 48,250 | 1.6% | 56,500 | 4.6% |
| IT Security | Oct-10 | 75,000 | | 93,000 | | 115,000 | |
| | Jun-11 | 65,500 | -12.7% | 79,000 | -15.1% | 115,875 | 0.8% |
| Management | Oct-10 | 88,000 | | 105,000 | | 125,000 | |
| | Jun-11 | 90,000 | 2.3% | 110,000 | 4.8% | 133,000 | 6.4% |
| Network Administration | Oct-10 | 42,500 | | 55,000 | | 75,000 | |
| | Jun-11 | 40,500 | -4.7% | 53,000 | -3.6% | 66,000 | -12.0% |
| Network Engineer | Oct-10 | 56,500 | | 68,750 | | 80,000 | |
| | Jun-11 | 55,250 | -2.2% | 70,500 | 2.5% | 82,000 | 2.5% |
| Project Manager/Team Lead | Oct-10 | 80,000 | | 97,750 | | 118,000 | |
| | Jun-11 | 80,000 | 0.0% | 95,000 | -2.8% | 115,500 | -2.1% |
| Sales Exec/Account Manager | Oct-10 | 68,000 | | 90,000 | | 115,000 | |
| | Jun-11 | 55,000 | -19.1% | 80,000 | -11.1% | 105,000 | -8.7% |
| Software - Analyst Programmer | Oct-10 | 57,500 | | 70,000 | | 82,000 | |
| | Jun-11 | 59,375 | 3.3% | 75,000 | 7.1% | 86,125 | 5.0% |
| Software Architect | Oct-10 | 98,000 | | 102,000 | | 120,000 | |
| | Jun-11 | 87,500 | -10.7% | 95,000 | -6.9% | 108,250 | -9.8% |
| Software Developer | Oct-10 | 60,000 | | 65,000 | | 80,000 | |
| | Jun-11 | 55,000 | -8.3% | 68,000 | 4.6% | 85,500 | 6.9% |
| Systems Administrator | Oct-10 | 53,000 | | 64,500 | | 73,500 | |
| | Jun-11 | 56,750 | 7.1% | 68,750 | 6.6% | 80,000 | 8.8% |
| Systems Analyst | Oct-10 | 58,000 | | 70,500 | | 83,000 | |
| | Jun-11 | 58,000 | 0.0% | 70,000 | -0.7% | 76,125 | -8.3% |
| Systems Integration | Oct-10 | 65,000 | | 75,000 | | 95,500 | |
| | Jun-11 | 65,000 | 0.0% | 73,500 | -2.0% | 102,000 | 6.8% |
| Technical Writer/Documenter | Oct-10 | 56,000 | | 70,000 | | 80,000 | |
| | Jun-11 | 50,000 | -10.7% | 80,000 | 14.3% | 84,000 | 5.0% |
| Testing and Q.A | Oct-10 | 50,000 | | 68,500 | | 80,000 | |
| | Jun-11 | 58,250 | 16.5% | 70,000 | 2.2% | 83,250 | 4.1% |
| Trainer | Oct-10 | 50,000 | | 57,500 | | 70,500 | |
| | Jun-11 | 52,375 | 4.8% | 60,250 | 4.8% | 67,625 | -4.1% |
| WAN/Telecommunications | Oct-10 | 50,000 | | 79,500 | | 98,000 | |
| | Jun-11 | 51,500 | 3.0% | 79,500 | 0.0% | 96,000 | -2.0% |
| Web/Multimedia Designer | Oct-10 | 40,000 | | 51,500 | | 65,000 | |
| | Jun-11 | 44,250 | 10.6% | 58,500 | 13.6% | 67,125 | 3.3% |
| Web/Multimedia Developer | Oct-10 | 42,000 | | 54,500 | | 68,000 | |
| | Jun-11 | 50,000 | 19.0% | 59,500 | 9.2% | 70,000 | 2.9% |

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BENEFITS – PERMANENT

The number of employees receiving benefits has dropped slightly during the past 9 months and in general not improved since November 2010.

| Benefits Received (permanent employees) | % of your peers who receive benefits | |
|--|--------------------------------------|---------------------|
| | March 2010 - Oct 2010 | Nov 2010 - Aug 2011 |
| Mobile Phone/Mobile Allowance | 36% | 33% |
| Flexible Working Hours | 27% | 26% |
| Health Care Subsidies | 26% | 26% |
| Car Park | 23% | 23% |
| Company Paid Training | 23% | 21% |
| Overtime Payments | 11% | 11% |
| Car and/or Car Allowance | 9% | 10% |
| Additional Superannuation | 10% | 9% |
| Extra Annual Leave | 8% | 9% |
| Gym/Health Club Membership | 5% | 5% |
| Stock Options | 5% | 5% |
| Child Day Care | 1% | 1% |

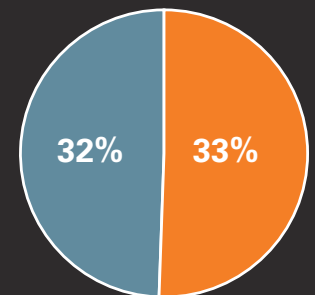
BENEFITS – CONTRACT

The overall trend in contractor benefits is positive, though increases are small with flexible working hours reaching its highest level since November 2010.

| Benefits Received (contract employees) | % of your peers who receive benefits | |
|---|--------------------------------------|---------------------|
| | March 2010 - Oct 2010 | Nov 2010 - Aug 2011 |
| Flexible Working Hours | 17% | 15% |
| Car Park | 7% | 8% |
| Mobile Phone/Mobile Allowance | 5% | 7% |
| Overtime Payments | 6% | 5% |
| Gym/Health Club Membership | 2% | 3% |
| Car and/or Car Allowance | 1% | 2% |
| Company Paid Training | 2% | 2% |
| Health Care Subsidies | 2% | 2% |

Pay Parity

- Men earn more than women with median base salary rates for males at \$76,500 compared to \$70,500 for females; and median base hourly contract rates at \$80 for males compared to \$70 for females
- More women enjoy flexible hours with 32% of salaried females compared to 25% for males and 19% of contracting women compared to 17% of men
- Of the 20,500 salary entries, more than 16,300 were men and with around 4,200 women



Receive bonuses/commissions

- Auckland
- Wellington

The base median salary has decreased marginally by -2% in the past 6 months down from \$76,500 to \$75,000

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CONTRACTOR HOURLY RATE DATA

| Title | Lower Quartile \$ per hour | Medium Quartile \$ per hour | Upper Quartile \$ per hour |
|-------------------------------|-------------------------------|--------------------------------|-------------------------------|
| Architect | 85 | 110 | 130 |
| Business Analyst | 70 | 90 | 95 |
| Consultant BI/CRM | 65 | 80 | 110 |
| Consultant ERP/Supply | 65 | 100 | 120 |
| Consultant | 75 | 85 | 110 |
| Data Record Management | 13 | 18 | 26 |
| DBA Database Developer | 50 | 77 | 110 |
| Hardware Engineer | 25 | 30 | 30 |
| Help Desk/Support | 19 | 25 | 35 |
| IT Security | 55 | 75 | 120 |
| Management | 70 | 90 | 110 |
| Network Administration | 20 | 27 | 80 |
| Network Engineer | 50 | 75 | 110 |
| Project Manager/Team Lead | 80 | 100 | 110 |
| Software - Analyst Programmer | 50 | 75 | 100 |
| Software Architect | 100 | 110 | 120 |
| Software Developer | 50 | 80 | 90 |
| Systems Administrator | 50 | 50 | 70 |
| Systems Analyst | 30 | 50 | 110 |
| Systems Integration | 65 | 75 | 110 |
| Technical Writer/Documenter | 45 | 48 | 60 |
| Testing and Q.A | 65 | 75 | 85 |
| Trainer | 25 | 38 | 65 |
| WAN/Telecommunications | 40 | 65 | 80 |
| Web/Multimedia Designer | 25 | 40 | 70 |
| Web/Multimedia Developer | 25 | 40 | 65 |

METHODOLOGY

The absoluteIT Salary Report captures real-time contract and permanent employees' remuneration details as entered into www.itsalaries.co.nz

Of the estimated 43,000 ICT workers in New Zealand, more than 20,500 have entered their remuneration details anonymously into IT Salaries since September 2008.

On average there are 100 new salary profiles posted by New Zealand IT professionals each week. The survey asks 15 anonymous questions. To ensure accuracy and a direct comparison against industry peers, there are no 'free text' variables other than when confirming one's exact job title. All other questions are answered by selecting from the multiple choice drop down menus.

Of the 20,500 plus participants of the survey, there were seven levels of education, 75 industry groups, and seven types and sizes of current employer. In addition, participants were also asked to confirm their gender, number of years experience and the number of people they managed or supervised.

About Absolute IT

Absolute IT is a specialist I.T recruitment solutions company, employing more than 35 staff with offices in Auckland, Wellington and London. Absolute IT was established in 2000 and over this time has established an excellent reputation in recruitment services in the New Zealand Government and Corporate sectors.

Using some of the latest international recruitment practices, together with smart ideas, has enabled absoluteIT to position itself as a leader in the delivery of ICT recruitment solutions.

For further comment please contact Grant Burley, Director on 04 499 7848 or email grant@absoluteit.co.nz

Visit:

www.absoluteit.co.nz

and

<http://www.itsalaries.co.nz>

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