

2006 IT Industry Review

Australia



What do you do?



Manpower®
Professional

With competition for talent becoming more intense, in many cases, employers are being forced to offer higher compensation to attract and retain staff.

Introduction

IT Professionals are in the top 10 occupations experiencing talent shortages in Australia, meaning that both government and business need to develop attraction and retention strategies to ensure they can secure qualified professionals.

Of the 341,000 IT Professionals in Australia, they predominantly:

- Reside on the eastern seaboard and in capital cities
- Are male
- Are aged 25-49
- Are Australian born
- Are Tertiary educated
- Earn on average \$65k pa
- Work full time
- Work in the private sector
- Work in Small to Medium Enterprises
- Work in the Finance/Property/Business Services or Communication industries

IT Professionals are generally satisfied with their current job however are less satisfied when compared to other occupations.

They are also more likely than other occupations to consider moving jobs in the near future. However IT staff attrition rates are lower than that of other roles.

There are a number of areas of focus for potential or current employers to attract or retain IT Professionals including job recognition, responsibility, opportunities, stability and training. IT Professionals are happy with their current rate of pay so salaries shouldn't need to be inflated to attract or retain IT staff.

Results

Talent Shortages & Wage Inflation

A recent Manpower Professional survey found that 32% of Australian employers are having difficulty filling permanent professional positions due to a lack of available talent in the marketplace. Even more employers (38%) indicated that these talent shortages are causing their organisation to pay higher compensation for these positions when compared to the previous year.

The results of this survey build on the findings of the 2006 Manpower White Paper *Confronting the Coming Talent Crunch*. This report revealed that many of the hardest to fill positions were professional roles, such as accountants, IT programmers and developers, engineers and experienced sales representatives. Factors that are causing the talent shortages worldwide include demographic shifts such as aging populations, global competition and inadequate educational programs.

As these trends grow in the coming years, the companies with the strongest employer brands will be the big winners because they will be able to attract and retain top talent more easily than those who have been slower to adapt. Employers will need to develop alternative attraction and retention strategies to ensure they can secure adequately qualified professionals. They must implement an integrated, strategic approach to talent management, from planning and sourcing to training, development, and retention.

For more information about the Manpower Professional Survey and White Paper, please visit our website www.manpowerprofessional.com.au.

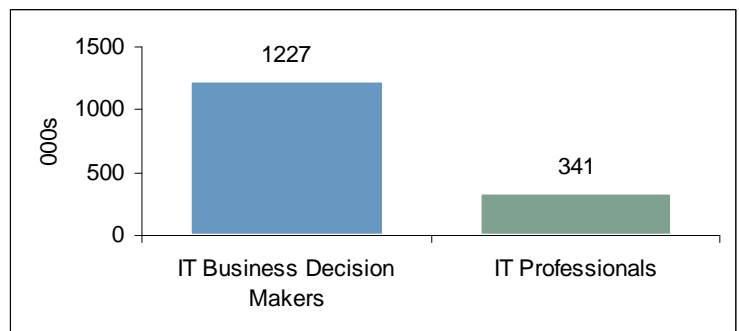
Top 10 Talent Shortages in Australia

1. Sales Representatives
2. Engineers
3. Skilled Trades (primarily welders, boiler makers, plumbers)
4. Accountants
5. Technicians (primarily production/operations, engineering and maintenance)
6. Drivers
7. Mechanics
8. Receptionists
9. Administrative Assistants & PAs
10. IT Staff (primarily programmers/developers)

Labour Pool

In Australia there are 341,000 IT Professionals, which include occupations such as Network Managers, Data Communications and Systems Analysts. They are nearly four times more likely to be responsible for making business decisions relating to information technology.

Only 7% of IT business decision makers work within the IT department. Most decision makers are in senior management such as owners, department head managers, chairmen/managing director who have some influence on decisions regarding PC's, servers, computer peripherals or software.

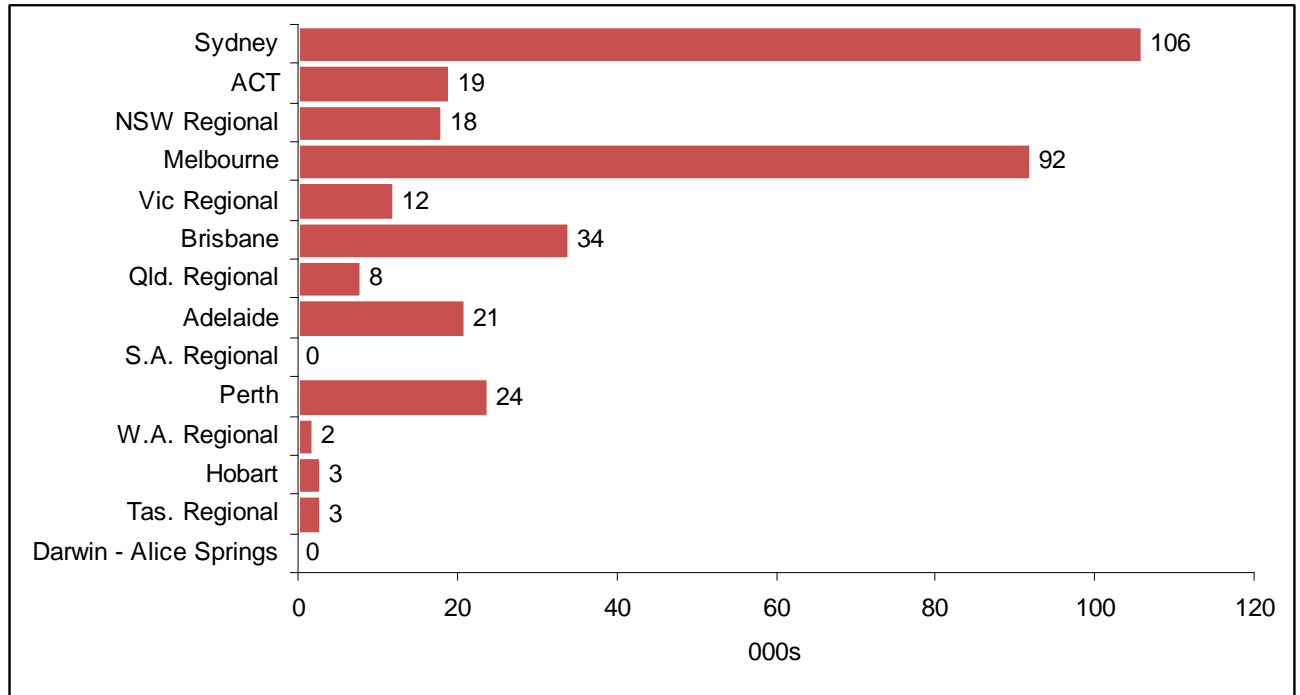


This document reports on IT Professionals only.

IT Professional Demographic Profile

Geographic Distribution

85% of IT professionals reside in the Eastern Seaboard. The geographic skew is to the five capital cities along with the ACT and Regional NSW.



Mobility & Access

On average IT Professionals travel 17kms to work, one kilometre more than the average population.

IT Professionals rely upon their car for transport, 90% of them are drivers. Only 5% have company cars (Company, Family Business or Government Department).

They rarely travel by public transport. In the last 3 months, only 43% have travelled on buses, 56% have travelled by train, 20% have travelled by tram, and 13% have travelled by ferry.

Gender & Age

80% of IT Professionals are male.

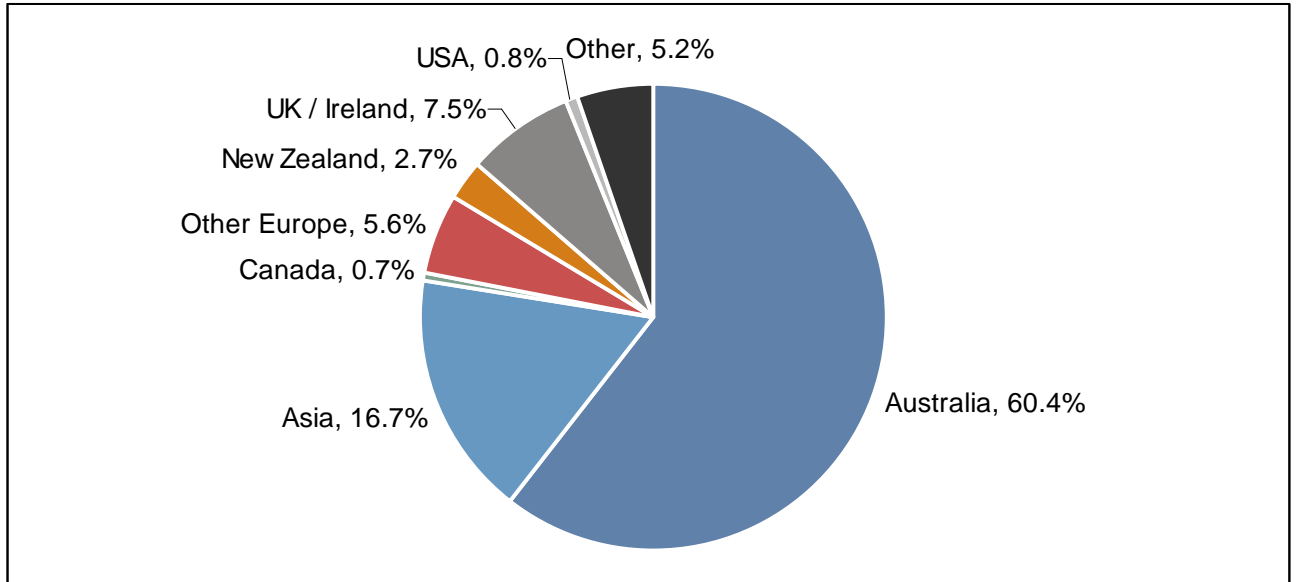
Three quarters of IT Professionals are aged 25-49. The average age of an IT Professional is 38 years old, one year older than the working population average.

Education

IT Professionals in Australia are predominantly tertiary qualified (67%). 55% have a degree and 13% have a diploma. 9% have some university training.

Country of Birth

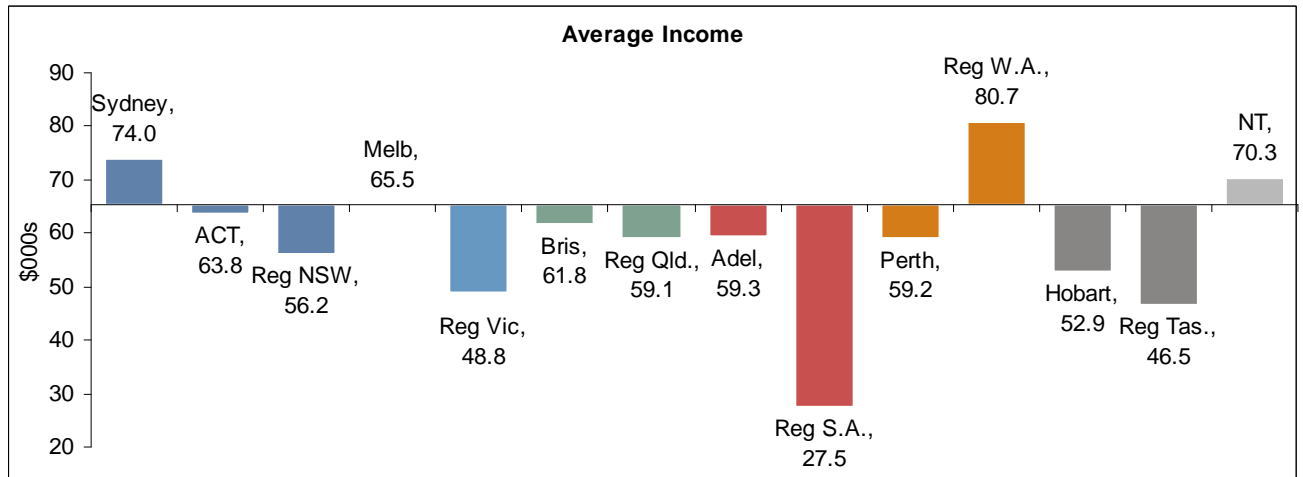
IT Professionals come from a range of backgrounds. Less than two thirds were born in Australia. 17% were born in Asia and 8% were born in the UK or Ireland.



Income

The average income of IT Professionals is \$65,456 p.a.

Sydney IT Professionals earn 13% more than the national average. Those residing in regional South Australia earn the lowest average income \$27,500. Mean results for regions with smaller numbers of IT Professionals may not be stable.



Work Status & Company Size

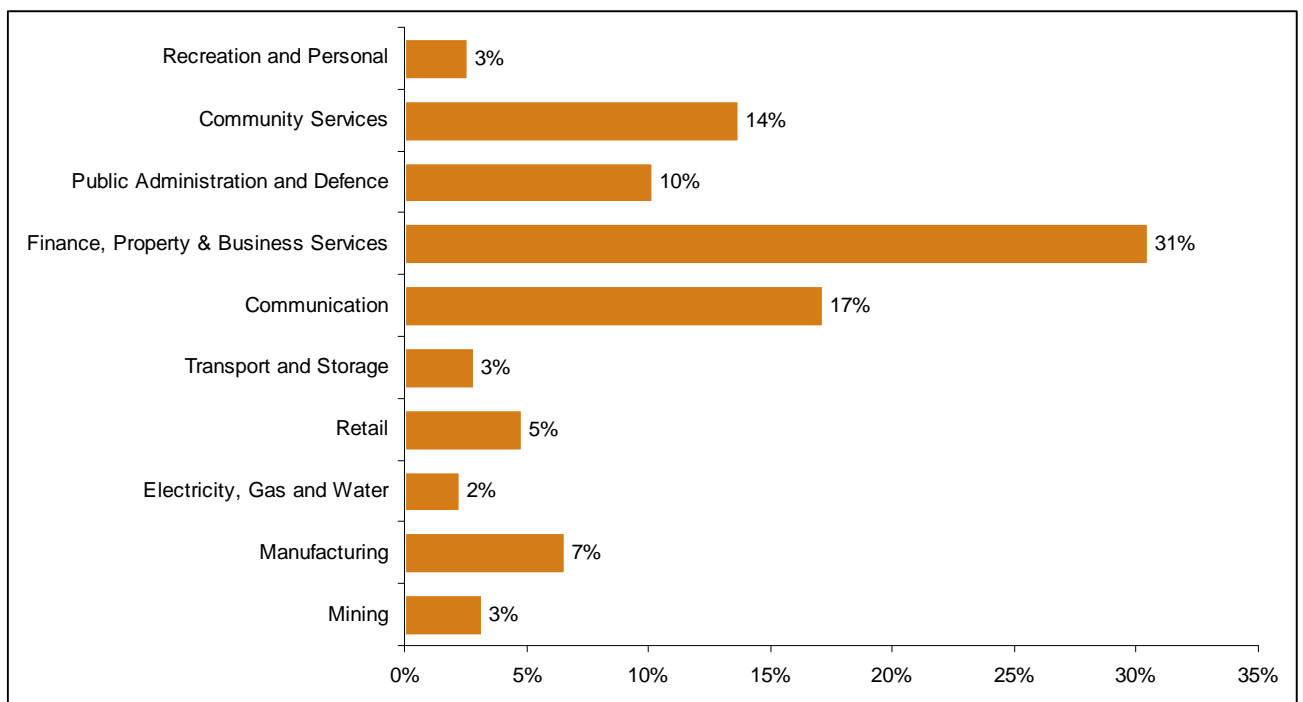
87% of IT Professionals work full-time. Only 13% are part-time workers. Only a small number (1.5%) are intending to retire in the next year.

IT Professionals tend to work in small to medium enterprises, 1-299 employees (60%). One quarter work for large companies (300+ employees).

Industry & Sector

IT Professionals predominantly work in the private sector (72%). 23% work in the public sector and only 5% are self-employed.

Nearly one third of IT Professionals work in the Finance/Property/Business industry. Other sectors that IT Professionals tend to work in include Communication, Community Services and Public Administration/Defence.



IT Professional Attitudes

About IT Professionals

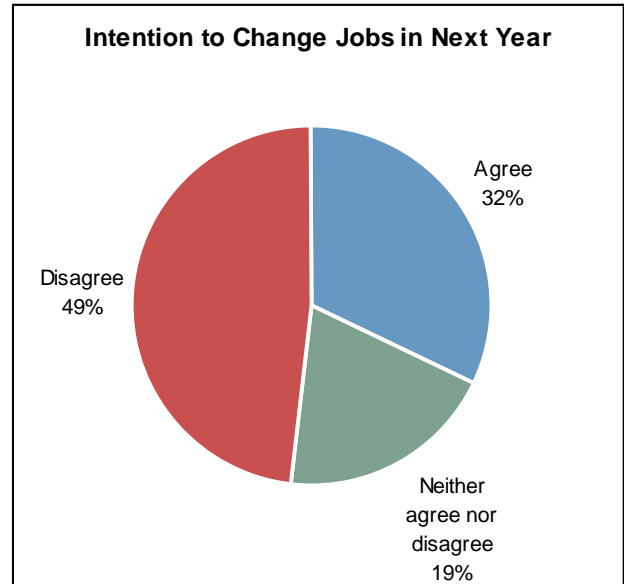
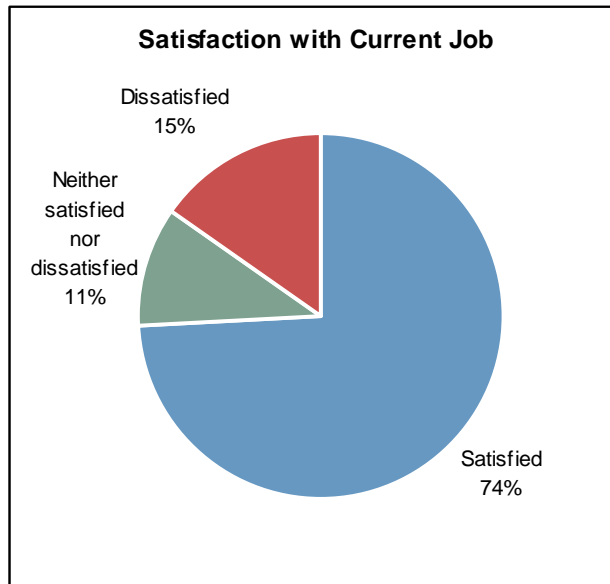
IT Professionals:

- consider themselves as intellectuals (55%) and leaders (55%)
- are success-driven (64%) and time poor (64%)
- believe job responsibility is important in their role (77%)
- need security in their job (72%)
- feel that computers and technology given them more control over their lives (68%).

IT Professional Job Satisfaction

Overall Job Satisfaction and Intention to Change Jobs

15% of IT Professionals are dissatisfied with their present job. This is significantly higher than the rest of the working population (9%). One third are planning on changing jobs in the next year, which is also slightly higher than the national population (27%).



Satisfaction Drivers

Job Recognition

Overall, half the IT Professionals in Australia are satisfied with the job recognition they receive in their present role. Compared to the rest of the population, IT Professionals are significantly less satisfied with the amount of job recognition that they receive. One quarter are unhappy with their job recognition, compared to the rest of the population where only 18% are unhappy.

Job Opportunities

Only one third of IT Professionals are happy with the opportunities available to them in their current role. Compared to the working population, there are slightly more IT Professionals who are dissatisfied with the opportunities available.

Current Rate of Pay

IT Professionals are generally satisfied with their current pay, with 54% stating they are happy and 30% believing the pay they receive is fair.

Job Security

IT Professionals are less satisfied with the security they have in their current role compared to other employees.

Training

Half the IT Professionals are satisfied with the training they presently receive. More than one quarter are unhappy with their training, which is significantly more than other workers (19%).

Management's Use of Employee's Ideas

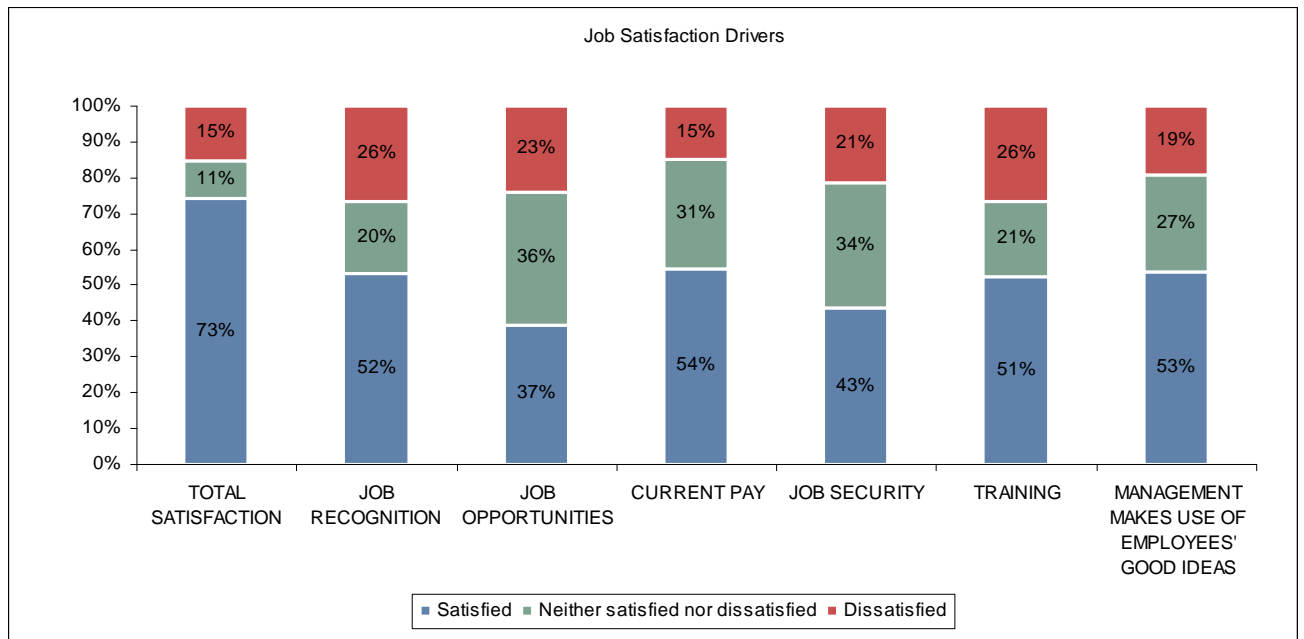
Generally IT Professionals are slightly more satisfied with management's use of their good ideas when compared to the population. More than half are happy with this satisfaction driver.

Outcomes

IT professionals are less satisfied than other workers and more likely to consider changing jobs in the next year.

Employers seeking new IT candidates or wanting to retain their present IT Professionals should focus on job recognition, career path development, job stability and suitable and adequate training.

Remuneration alone is not a significant issue for IT Professionals as they are generally happy with their current rate of pay.



IT Staff Attrition/Turnover

Voluntary

The average IT Staff Attrition/Turnover Rate is: 10.1%

n.b. Voluntary = resignations

Involuntary

The average IT Staff Attrition/Turnover Rate is: 4.9%

n.b. Involuntary = retrenchments, dismissals or non-extensions of probationary periods

About Manpower Inc.

Manpower Inc. is a world leader in the employment services industry; creating and delivering services that enable its clients to win in the changing world of work. The \$16 billion company offers employers a range of services for the entire employment and business cycle including permanent, temporary and contract recruitment; employee assessment and selection; training; outplacement; outsourcing and consulting. Manpower's worldwide network of 4,400 offices in 72 countries and territories enables the company to meet the needs of its 400,000 clients per year, including small and medium size enterprises in all industry sectors, as well as the world's largest multinational corporations. The focus of Manpower's work is on raising productivity through improved quality, efficiency and cost-reduction across their total workforce, enabling clients to concentrate on their core business activities. Manpower Inc. operates under five brands: Manpower, Manpower Professional, Elan, Jefferson Wells and Right Management. More information on Manpower Inc. is available at www.manpower.com.

About Manpower Professional

Manpower Professional, a division of Manpower Inc., operates in 34 countries and offers comprehensive, expert recruitment services backed by award-winning training, assessment and selection and outsourcing services. Its extensive resources, world-class client list, and reputation attract a diverse group of talented candidates, with every level of education, skills and experience for permanent or temporary positions. Manpower Professional helps find and retain top people in IT, e-commerce, accounting, finance, engineering, clinical and lab sciences, and other business professions.

Sources

Talent Shortages & Wage Inflation results are sourced from Manpower's White Paper "Confronting the Coming Talent Crunch" and the Manpower Professional "Talent Shortage & Wage Inflation Survey."

Demographic profiles and job satisfaction information is sourced from Roy Morgan Single Source Data June 2006.

IT Staff Attrition figures are sourced from the CSI Australian Computer/IT Specialist Salaries & Benefits Survey.

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What we do

People

From CEO to entry level staff. Permanent to temporary. Financial to industrial. Manpower and Manpower Professional find the best people for all types of jobs and industries at staff and professional level.

Training

Through Manpower, Manpower Professional and our subsidiary company Right Management, we have a wide choice of Direct Training® programmes. Our award-winning online training has successfully enhanced the skills of over nine million people worldwide. There are now over 3,600 courses and 250,000 users of our Global Learning Centre.

HR Services

Recruiting. Prescreening. Testing. Interviewing. We have a full spectrum of customisable HR Services to reduce your hiring timeline and costs. Candidates are thoroughly screened and evaluated, which means a better fit of employee to work and high staff retention.

Outsourcing

Recruitment process outsourcing. Technology enabled solutions. Customised vendor management programs and business planning. These are just some of the areas of expertise offered by Manpower and our subsidiary companies.

Consulting

HR consulting. Research and diagnostics. Benchmarking. Talent architecture. Career transition. Organisation consulting across sectors. Offered through Manpower and Manpower Professional, along with our subsidiary, Right Management.