Introduction

Clicks IT Recruitment is pleased to provide you with the latest analysis of the state of the Australian IT staffing market – the 2018 Recruitment and Retention Report. The report provides insight into hiring intentions, IT spending in both corporate and government sectors, and current IT hiring trends. We have also included a commentary to help you better understand how these factors have changed over the past 12 months.

We expect last year’s increase in demand for IT staff across Australia to be strengthened even further in 2018. The number of companies anticipating growth in sales turnover jumped a record twenty per cent (49% to 59%) and those expecting increased IT spending grew from 33% to 37%. Clicks was also fortunate to experience considerable growth, with some offices achieving triple digit growth after an already busy 2016.

Given demand for IT staff is expected to grow in 2018, we believe our market knowledge and resources make Clicks well placed to help you plan and execute your hiring strategy. Please contact me.

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Clicks IT Recruitment
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Economic conditions are very strong. Record levels of respondents are expecting sales growth in the year ahead.

IT budgets are continuing to expand, building on last year’s strong result.

Hiring intentions are also at their highest levels in over 5 years.

Record levels of demand for permanent staff contrasts with a dip in the forecasted demand for contractors. Has the market peaked?

Those expecting to make IT staff redundant in the next 12 months have increased.

IT workers have not been able to escape the well-reported problem of very low wage growth.

Overall it has become more difficult to recruit the right staff. Only 23% of respondents reported having no difficulties in 2017 (down from 30%).

IT graduate hiring remains flat from last year.

Work arrangements that promote and facilitate flexibility are key to staff retention.

Our IT Health Check Index is at record levels, indicating the highest levels of optimism for the IT industry.
Is your organisation budgeting for an increase or decrease in sales turnover over the next 12 months?

- 28% The Same
- 13% Decrease
- 59% Increase

Is your overall IT budget set to increase, decrease, or remain the same over the next 12 months compared with the last 12 months?

- 46% The Same
- 17% Decrease
- 37% Increase

The overall business environment is very positive, with a record 59% expecting to increase sales (up from 49%), and only 13% expecting to decrease (down from 17%).

If increasing, by what percentage?

- Of those expecting to increase, 37% anticipate growth of 11%+, up from 35% last year.
- 63% 0–10%
- 23% 11–20%
- 14% 21%+

Economic conditions are reflected in the positive spending outlook for IT budgets. Overall, 37% expect to increase their IT budgets (up from 33% last year and 30% the year before), the most positive result for over 5 years. This is driven by digitisation, cloud adoption, the view that data is an asset, demand for customer insights, and an overall increase in services caused by business growth.
What is your total number of IT Staff (including contractors) in Australia?

IT staffing numbers are also set to increase, with 37% (up from 32% last year and 27% the year before) planning to boost IT staff numbers.

Only 17% (down from 18% and 27%) are planning to reduce numbers. Once more this indicator is at its most positive for over 5 years.
Do you expect to increase the number of your permanent IT staff over the next 12 months?

- **2017**
  - 36% Yes
  - 64% No

- **2016**
  - 28% Yes
  - 72% No

- **2015**
  - 32% Yes
  - 68% No

- **2014**
  - 24% Yes
  - 76% No

- **2013**
  - 25% Yes
  - 75% No

- **2012**
  - 32% Yes
  - 68% No

As might be expected in an expansionary climate, a record 36% expect to increase their permanent IT staff numbers...

Over the next 12 months do you expect your usage of IT Contractors will be greater or less than over the last 12 months?

...however responses indicate a pull-back in those looking to increase their use of IT contractors. Last year 20% expected a reduction; this year 26% are expecting reduced contractor usage.

- **2017**
  - 69% Greater/The Same
  - 31% Less/Don’t Use

- **2016**
  - 76% Greater/The Same
  - 24% Less/Don’t Use

- **2015**
  - 69% Greater/The Same
  - 31% Less/Don’t Use

- **2014**
  - 68% Greater/The Same
  - 32% Less/Don’t Use

- **2013**
  - 67% Greater/The Same
  - 33% Less/Don’t Use

- **2012**
  - 70% Greater/The Same
  - 30% Less/Don’t Use
Resourcing Strategies: **Onsite IT Consulting**

Do you currently use onsite IT consulting services as part of your overall IT staffing mix?

- **71%** Yes
- **29%** No

Use of onsite IT consulting services is stable, with 71% of respondents engaging these services, up from 70%...

If yes, over the next 12 months are you planning to increase or decrease your use of the onsite IT consulting services?

- **59%** The Same
- **17%** Decrease
- **19%** Increase

...and usage is forecast to remain strong in 2018

If no, do you expect you will use onsite IT consulting services as part of your IT staff mix in the next 12 months?

- **81%** No
CONSULTING SERVICES CAPABILITY

IT STRATEGY AND ARCHITECTURE
- Technology Assessments
- IT Strategy
- Digital Strategy
- Cloud Readiness Assessment and Recommendations
- Architecture Practice Guidance, Set-up and Delivery Model Frameworks
- Platform Recommendation and Selection
- Business Architecture
- Data Architecture
- Application Architecture
- Information Architecture
- Cyber Security

PROGRAM AND PROJECT MANAGEMENT
- Portfolio Management
- Program and Project Management Consulting
- PMO practice guidance and standardisation
- PRINCE2 and PMBOK Consulting
- Team Management
- Waterfall and Agile project delivery models
- Benefits Realisation Management
- Data Architecture
- Application Architecture
- Change Management

TECHNICAL AND BUSINESS ANALYSIS
- Business Case Generation
- Business and Functional Requirements Analysis and Documentation
- Agile coaching
- UX Design
- Market Analysis
- BA practice guidance, setup and delivery model frameworks
- Change Management
- Process Improvement
- Quality Assurance
- Unified Modelling Language
- LEAN Thinking

APPLICATION DESIGN, DEVELOPMENT AND INTEGRATION
- Waterfall Design and Development
- Agile Development
- Portal and Web Development
- UX Design
- Customer Relationship Management
- Rapid Application Development
- Middleware Integration
- Mobile app iOS and Android development
- Quality Assurance
- DevOps
- Microsoft, Java and Open Source Development

DIGITAL AND CLOUD
- UX Design
- Responsive Design
- Mobile app iOS and Android Development
- Social Strategy
- Persona and User Journey Mapping
- Cloud Readiness Assessment and Recommendations
- Cloud Strategy, Consulting and Hosting
- Development capability across Microsoft, Java Open Source and other platforms and Content Management Systems

TESTING
- Test Automation
- Test Strategy and Execution
- Performance, load and stress testing
- Test Management
- Systems and Integration testing
- User Acceptance Testing
- Provision for Test Managers and test execution teams
- Mobile and App Testing

IT MANAGEMENT
- IT Service Management
- Provision of individual support staff or an entire team
- SLA based engagement model across one or several applications
- DBA services
- Information Technology Infrastructure Library (ITIL)
- IT Governance
- Tools selection and automated implementation

INFORMATION MANAGEMENT AND ANALYTICS
- Enterprise Information Management
- Knowledge Management
- Data Warehousing
- Data Management
- Content Management
- Big Data
- ETL Development
- Records Management
- Digital asset management
Hot Spots: Who’s in Demand?

Which IT roles are most difficult to recruit?

13% of respondents report that developers (e.g. DevOps, Sharepoint) have been difficult to recruit and also in the new category of Security where cybersecurity experts are in strong demand. Overall it has become more difficult to recruit the right staff. Only 23% of respondents reported having no difficulties in 2017 (down from 30%).

Stay up to date with IT trends, market insights, expert opinions and breaking news

linkedin.com/company/clicks-it-recruitment
twitter.com/clicksrecruit
Forecasting demand for your organisation over the next 12 months, which IT role type do you expect to be in greatest demand?

The strongest forecast demand for 2018 is evenly spread across Development, Business Analysis and Security, with Project Management following closely.

However the demand profile for the Government and Commercial sectors is quite different.
Salaries: Show us the Money

On average, at what percentage rate have your salaries for IT staff increased over the last 12 months?

As is widely reported in the media, wage growth for IT staff was a low 1.73% in 2017, and is forecast to remain a low 1.85% in 2018.

Compared to 12 months ago, how have the rates that you pay for IT contractor staff changed?

There have now been several years of wage/pay rate stability, which may have resulted in a better understanding of market rates – both amongst contractors and buyers.

When recruiting IT staff in the last year, have you had to pay more than you initially wanted or expected to, in order to attract the right candidate?

Whilst pay rates for contractors are generally stable, there has been a significant decrease in those reporting to have paid “more than initially wanted or expected”.

<table>
<thead>
<tr>
<th>Year</th>
<th>Yes (%)</th>
<th>No (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>13%</td>
<td>87%</td>
</tr>
<tr>
<td>2016</td>
<td>38%</td>
<td>62%</td>
</tr>
<tr>
<td>2015</td>
<td>56%</td>
<td>44%</td>
</tr>
<tr>
<td>2014</td>
<td>36%</td>
<td>64%</td>
</tr>
<tr>
<td>2013</td>
<td>34%</td>
<td>66%</td>
</tr>
<tr>
<td>2012</td>
<td>39%</td>
<td>61%</td>
</tr>
</tbody>
</table>
When recruiting IT people, I am happy if they don't have all the skills required, so long as they have the right attitude.

When recruiting IT people, the most important consideration is that the person has all the skills to do the job.

Which statement most closely reflects your approach to recruitment?

- They find me the best people: 30%
- They save me a lot of time: 20%
- They look after their contractors: 19%
- They provide me with accurate reporting: 17%
- They provide a low-cost service: 14%

What is most important to you in the service you receive from your recruitment partner?
Resourcing Strategies: **Graduates**

**Do you have a graduate program for IT staff?**

<table>
<thead>
<tr>
<th>Year</th>
<th>Yes (%)</th>
<th>No (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>32%</td>
<td>68%</td>
</tr>
<tr>
<td>2016</td>
<td>36%</td>
<td>64%</td>
</tr>
<tr>
<td>2015</td>
<td>23%</td>
<td>77%</td>
</tr>
<tr>
<td>2014</td>
<td>30%</td>
<td>70%</td>
</tr>
<tr>
<td>2013</td>
<td>35%</td>
<td>65%</td>
</tr>
<tr>
<td>2012</td>
<td>34%</td>
<td>66%</td>
</tr>
</tbody>
</table>

**Have you hired IT graduates in the last 12 months?**

<table>
<thead>
<tr>
<th>Year</th>
<th>Yes (%)</th>
<th>No (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>27%</td>
<td>73%</td>
</tr>
<tr>
<td>2016</td>
<td>27%</td>
<td>73%</td>
</tr>
<tr>
<td>2015</td>
<td>26%</td>
<td>74%</td>
</tr>
<tr>
<td>2014</td>
<td>27%</td>
<td>73%</td>
</tr>
<tr>
<td>2013</td>
<td>30%</td>
<td>70%</td>
</tr>
<tr>
<td>2012</td>
<td>33%</td>
<td>67%</td>
</tr>
</tbody>
</table>

Last year’s increase in respondents reporting they have a graduate recruitment program did not result in an increase in those hiring graduates in 2017. We believe that in some key areas of demand (i.e. development, cyber security), a graduate program is an essential part of the solution to meeting demand.

**Staff Turnover and Retention**

**What has been the approximate % rate of your IT staff turnover over the last 12 months?**

- 8% 16–20%
- 3% 21%
- 10% 11–15%
- 23% 6–10%
- 42% 0.1–5%
- 14% 0% - there has been no IT staff turnover in my organisation.

**Have you made any IT staff redundant in the last 12 months?**

<table>
<thead>
<tr>
<th>Year</th>
<th>Yes (%)</th>
<th>No (%)</th>
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<tbody>
<tr>
<td>2017</td>
<td>68%</td>
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<td>2014</td>
<td>56%</td>
<td>44%</td>
</tr>
<tr>
<td>2013</td>
<td>63%</td>
<td>37%</td>
</tr>
<tr>
<td>2012</td>
<td>66%</td>
<td>34%</td>
</tr>
</tbody>
</table>
Do you expect you will make any IT staff redundant during the next 12 months?

- **2017**: 72% No, 28% Yes
- **2016**: 79% No, 21% Yes
- **2015**: 67% No, 33% Yes
- **2014**: 63% No, 37% Yes
- **2013**: 70% No, 30% Yes
- **2012**: 73% No, 27% Yes

In the last 12 months have you had employment offers you have made to candidates rejected?

- **45%** Yes
- **55%** No

As expected, in a strong demand environment, more offers of employment are rejected. This years’ results have increased from 40% to 45%.

Which of these special initiatives does your organisation provide to improve staff retention?
Which of these special initiatives, in your opinion, is most effective in improving staff retention?

- Flexible working hours: 18%
- Training / Professional development: 14%
- Salary packaging: 12%
- Opportunity to contribute to community activities: 12%
- Ability to purchase additional annual leave: 6%
- Performance related bonuses: 11%
- Reward and Recognition programs: 7%
- Ability to work remotely: 5%
- Complimentary fruit, soft drinks etc.: 11%
- Ability to work remotely: 5%

Some clear trends have developed over the last 5 years. Flexibility, and the trust that this invokes, is key to staff retention. Technology has made it easy. People expect it. And it works. The more traditional “retainers” were financial (bonuses, packaging etc), however “flex” based retainers have much better scope for win/win. After all they are largely cost neutral.

IT Health Check

In order to assess the health of the IT industry, we asked respondents to indicate how strongly they agree or disagree with the following five statements:

- We can see that for the next three years demand for IT services and products will remain strong
- IT is meeting business demands and driving business improvement
- IT budgets are increasing as a % of company revenue
- The supply of IT talent is aligned to the demand for it
- The industry has a reputation for delivering value and results, on time and on budget

* Converting the responses to a percentage, where 100% would mean a totally healthy industry and 0% would be totally unhealthy, our health rating for the IT industry has continued to increase in comparison to previous years.
What industry sector is your organisation in?

- 46% Public Sector
- 36% 11-50
- 30% 51-100
- 11% 101-500
- 4% 1-10
- 4% 101-500
- 7% Health
- 4% Retail/Manufacturing
- 2% Utilities
- 13% IT (vendor/software)
- 4% Education
- 10% Banking and Financial Services
- 6% Transport and Resources
- 7% Other
- 2% Telco

How many staff do you have responsibility for?

- 47% 1-10
- 30% 11-50
- 10% 51-100
- 4% 1-10
- 4% 101-500
- 7% Health
- 4% Retail/Manufacturing
- 2% Utilities
- 13% IT (vendor/software)
- 4% Education
- 10% Banking and Financial Services
- 6% Transport and Resources
- 7% Other
- 2% Telco

How long have you been working at your current employer?

- 28% 1-3 years
- 27% More than 10 years
- 16% 7-10 years
- 8% Less than 1 year
- 21% 4-6 years

Do you consider yourself:

- 51% Gen X (born 1965-1976)
- 21% 4-6 years
- 16% 7-10 years
- 8% Less than 1 year
- 28% 1-3 years
- 27% More than 10 years
- 13% IT (vendor/software)
- 10% Banking and Financial Services
- 6% Transport and Resources
- 7% Other
- 2% Utilities
- 4% Education
- 7% Health
- 4% Retail/Manufacturing
- 2% Telco
Did you find this report useful?

The quality of our reports improve with every hiring manager who contributes.

If you hire contract or permanent IT staff, your contribution is very important to us and all readers of this report.

If you would like to become a contributor, please contact Sam Micich, Operations Manager, on 03 9963 4802 or sam.micich@clicks.com.au to ensure you receive your invitation to our next survey.

Clicks’ Services

Contract Recruitment

Clicks places an IT professional into a new job every hour of every day. We have 25 years’ experience in the IT contracting market, and over 80 Preferred Supplier Agreements with some of Australia’s most respected employers. Whether you’re looking for work or looking for staff, we’re here to help you.

Campaign Recruitment

We work with high growth organisations who need to grow their team quickly in response to product development demands or customer growth. Our campaign service mobilises a dedicated team to undertake deep market penetrative search activity to deliver a volume of resources in rapid time.

Market Reports

For over 15 years Clicks has been conducting critical research to assist employers in attracting the best talent. Regularly surveying over 500 of Australia’s leading employers of IT professionals, we produce a range of easy-to-read reports to enable better hiring decisions. Our reports cover market conditions, business confidence, hiring intentions, emerging technologies, gender diversity, salary surveys and more.

Managed Services

Clicks’ Professional Services offering involves a single point of contact for all queries, resulting in increased speed and accuracy of response. You will also enjoy visible and consistent reporting, enhanced performance monitoring capabilities, and consolidation to a single invoice for both consulting and on hire labour. This results in significant cost saving in accounts payable, banking, and other financial and administrative transactions.

Permanent Recruitment

Our team has an average of 8 years’ IT recruitment experience. For employers this means a deep understanding of your requirements and an established network of high calibre talent. For job seekers, our market knowledge, relationships and support will open the right doors for you.

Master Vendor

For clients with larger-scale recruitment requirements, Clicks has a proven Master Vendor model that offers a single point of release for all roles, and the management of all downstream suppliers. Clicks is also responsible for managing compliance, job allocation, performance management, payroll, quality, and customer satisfaction.

Candidate Capability Testing and Benchmarking

Clicks has partnered with leading assessment organisations to improve the quality of information you use to make hiring decisions, establish clear capability benchmarks for your team, reduce time spent interviewing inappropriate candidates, and improve the quality of candidates you hire.

Contingent Workforce Engagement

Our systems guarantee that our contractors receive accurate pays on time every time. Clicks utilises robust and scalable systems for online timesheeting, payroll management and reporting/analytics services. 95% of our contractors give us the highest ‘trust’ rating possible for our payroll management capability. We can also seamlessly interface with your systems to ensure hassle free data delivery and reporting.