

Market Update

Winter 2011

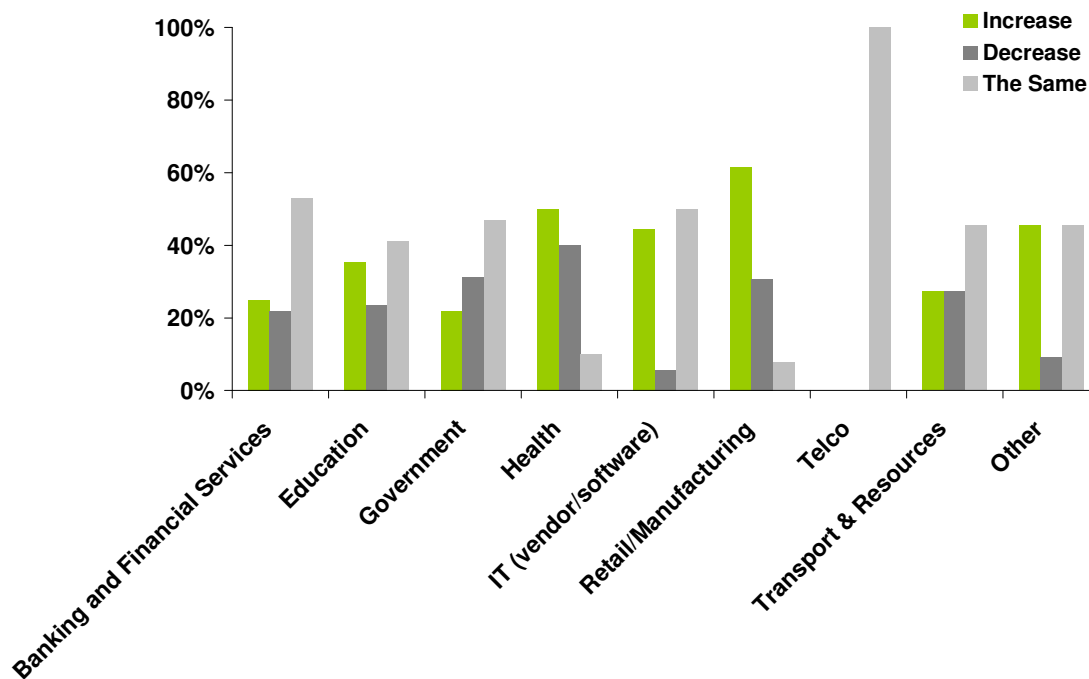
IT Recruitment and Retention Report Update

In June 2011 we surveyed clients who had provided information for our annual Recruitment and Retention Report in December 2010, receiving over 200 responses. The following update is provided with data from these responses as well as our operational data from recruitment activity over the last 6 months.

1. Lower spending on IT planned

There has been a softening in the outlook for IT budgets with just 30% of respondents planning to increase IT budgets (42% in December 10) and 26% expecting to decrease (21% in December 10).

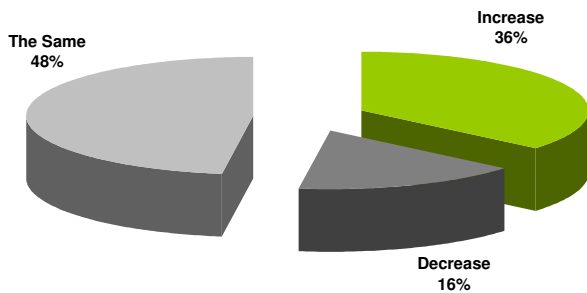
Is your overall IT budget set to increase, decrease, or remain the same over the next 12 months compared with the last 12 months? By Industry Sector



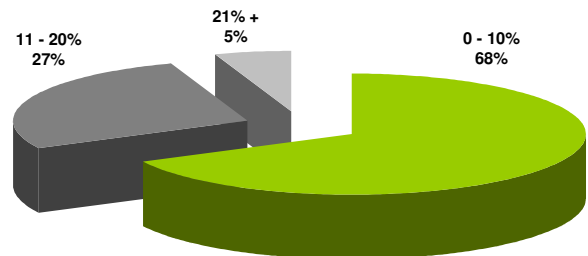
2. Stabilising of Hiring Intentions

Whilst 36% of respondents expect to increase IT staff numbers, there has been an overall softening of demand from the peak response (45% expecting to increase) in December 2010. However demand for permanent staff (42% expect to increase) and use of IT contractors is expected to remain strong, when compared with the long term average.

Will your total IT staff numbers increase or decrease over the next 12 months?



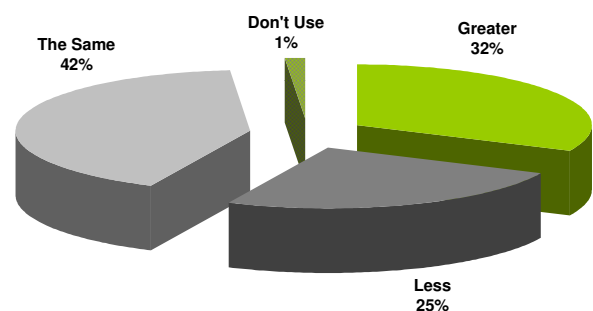
IT staff numbers: If increasing, by what percentage?



Do you expect to increase the number of your permanent IT staff over the next 12 months?



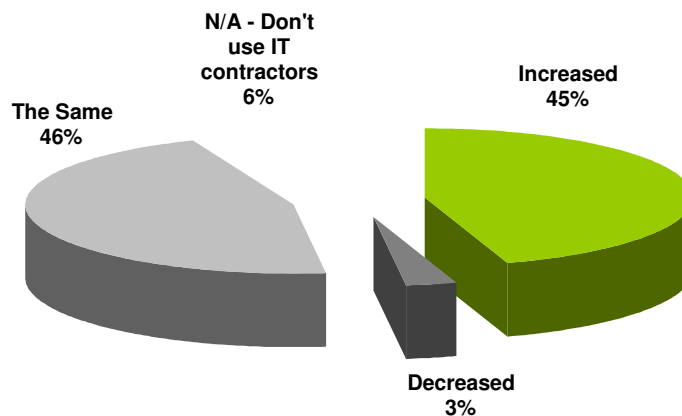
Over the next 12 months do you expect your usage of IT Contractors will be greater or less than over the last 12 months?



3. Competition for Staff remains high

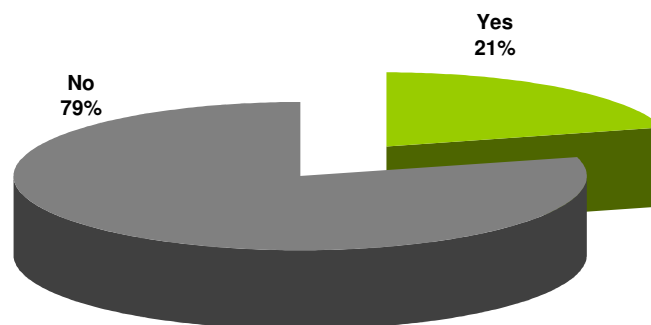
There is increased pressure on IT contractor rates with 45% of respondents paying more than 12 months ago (compared with 38% previously). The risk at extension time now lies with the hirer, as the contractor is likely to have other options. This competition for contractors will continue to drive rates up.

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



This time last year we predicted that the occurrence of counteroffers would increase, and this has proved true with 21% of employers counteroffering in the last 12 months, up from 15% in June last year.

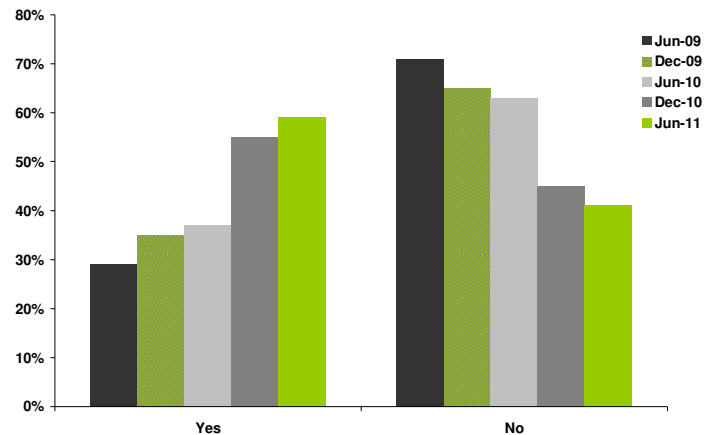
Over the last year have you had to counteroffer an IT employee who had resigned, in order to retain their services?



4. Pressure on salaries continues

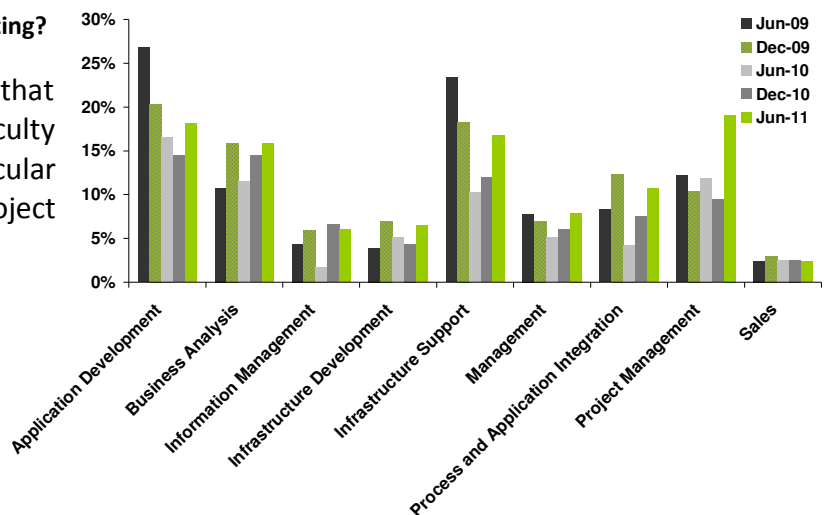
When recruiting IT staff in the last year, have you had to pay more than you initially wanted or expected to, in order to attract the right candidate?

As the graph shows, pressure on salaries has continued and employers have responded by paying more than they initially expected. We expect this situation will stabilise as economic uncertainty, cost of living pressures and the threat of rising unemployment reduce job seeker confidence.



Which IT role type have you had most difficulty in recruiting?

Whilst 'difficulty' is subjective, the table shows that hiring managers have experienced greater difficulty in recruiting 7 out of the 9 job categories. Particular difficulty was experienced in recruiting Project Managers.



Summary

The market is currently experiencing strong demand for staff. However we anticipate the balance between supply and demand will change over the next 6 months as the impacts of economic uncertainty make corporate Australia more focused on reducing costs. Candidates may become more reluctant to move and so employers who understand their value proposition, and who can explain it well, will pick up the best talent. There won't be enough left over for those who can't.

Thank you to all those organisations who contributed information to the report. I look forward to Clicks continuing its relationship with you over the year. Please feel free to contact me at any time if you want an update, or if you need our support with your recruitment activity.

Best wishes

Managing Director, Clicks