



Annual Salaries Report

Year ending June 2006

September 2006

Table of Contents

SUMMARY	2
BACKGROUND	3
<i>Survey 1</i>	<i>3</i>
<i>Survey 2</i>	<i>3</i>
<i>Comparing results with previous years</i>	<i>3</i>
SALARIES	4
CONTRACTORS VS PERMANENT EMPLOYEES.....	5
RESULTS BY JOB FUNCTION.....	6
<i>Results by Job Function.....</i>	<i>7</i>
RESULTS BY INDUSTRY	8
DEMOGRAPHICS.....	9
<i>Industry.....</i>	<i>10</i>
METHODOLOGY	11
<i>Equivalent annual full-time salary.....</i>	<i>11</i>
<i>Other costs.....</i>	<i>11</i>
<i>Sample</i>	<i>11</i>
<i>Type of work</i>	<i>11</i>

Summary

As a recruiter of documentation specialists who work across a range of industries, TechWriter Placements and Services (TechWriter) is ideally placed to review the market rates paid and comment on emerging trends.

This report summarises the results of several surveys we conducted for the 2005/06 financial year. We have only presented high level findings on salaries, for a more detailed analysis discussing the reasons for salary variations in more depth please contact us at info@techwriter.com.au or on 1300 788 716.

A summary of our findings on rates is outlined in the table below.

Overall	<p>The majority of employees and contractors earned between \$70,000 and \$90,000 base salary (ie excluding superannuation). This amount applied to 63% of those in Survey 1 and 30% of those in Survey 2.</p> <p>For the first time, there are indications of a difference in rates according to industry. The majority (53%) of those earning less than \$60,000 were in the defence industry and 55% of those earning more than \$90,000 worked in financial services.</p> <p>Compared to those in Survey 1, a greater proportion of those in Survey 2 reported earning less than \$60,000 (30%) and also more than \$90,000 (28%), reflecting the wider base of respondents to Survey 2. Lower earnings tend to be related to the amount of time working with 17% of those earning less than \$60,000 in Survey 2 reporting working part-time (24 hours or less per week) and 55% worked for 9 or fewer months.</p>
Contractors	<p>57% of contractors earned between \$80,000 and \$100,000 per annum reflecting the high level of educational background and extensive experience of most contractors.</p> <p>48% earned between \$80,000 and \$90,000 and only 11% earned less than \$60,000. This is in line with 2005 when 45% earned between \$80,000 and \$90,000 and 9% earned less than \$60,000. There has been an increase in those earning over \$90,000 (19% cf 13% in 2005)</p>
Permanent placements	<p>There has been an increase in the number of permanent placements and in the amounts being paid.</p> <p>Unlike previous years, permanent employees generally earned similar rates to contractors with 55% earning salary packages of between \$80,000 and \$100,000.¹ However, this year there was a significant increase in those earning more than \$80,000 to 45% from 22% in 2005.</p>

¹ Note: small sample, 15% of total

Background

This report summarises the results of two surveys on the income of documentation specialists between April 2005 and June 2006.

Survey 1

The first survey is an analysis of the rates paid for a representative sample of over 200 successful TechWriter contract and permanent placements made during the period.

The amounts reported in this survey are equivalent full-time salary packages inclusive of superannuation. It is worth noting, however, that for some contracts, the client has a fixed budget and a contractor who is keen for work may be willing to accept a lower rate than usual.

Note: The actual amounts received may differ depending on the variation of rates obtained during the year and the percentage of time employed.

How contractors' earnings were determined

The hourly rate earned by each contractor has been extrapolated to estimate the potential full year income. The equivalent annual salary is calculated assuming that the hourly rate applied for the full year (see *Methodology section* at end for details of the calculation used).

This does not take into consideration:

- some of the work might have been part-time
- any overtime worked
- the contractor may not be able to find work for the full year.

The full-year estimates were validated by comparison with the actual payments to contractors who worked for TechWriter on extended contracts (more than 6 months) during the same period. This survey has now been completed for the third year and thus comparisons can be made with prior periods.

Survey 2

The second survey collected salary information from anonymous respondents as part of our candidate satisfaction survey. In this survey, 142 respondents provided details on the typical number of hours worked each week, the number of months they worked in the year and their approximate earnings.

The participants in this survey were those who had a significant interaction with TechWriter during the year. Over 50% of the sample did not actually work through TechWriter and thus these results help provide us with a broader market view. Some respondents to Survey 2 may also be included in Survey 1.

This is the second year that these results have been available so initial prior year comparisons are possible. When comparing the salary results with those of Survey 1, only those who reported earning for the full year are included.

Comparing results with previous years

There have been a number of surveys conducted over the past few years that attempt to provide a view of the marketplace conditions for documentation specialists. We will continue to conduct similar analyses each year to enable improved comparisons to be made.

Other surveys you may like to refer to are listed on our website at

<http://www.techwriter.com.au/candidates/salary.htm>

Salaries

In 2006 most documentation specialists are earning the equivalent of between \$70,000 and \$90,000 (see Figure 1 below). Our preliminary analysis indicates that – in comparison to other documentation specialists – those earning incomes above this level have a combination of longer industry experience, higher qualifications and niche skills that are in demand.

When each attribute is viewed in isolation, there remains no clear correlation between educational background and salary, or years of experience and salary. However, there seems to be a relationship between the combination of educational background and years of experience that generally impacts rates.

Since 2004, we have seen a steady increase in the number of candidates earning between \$70,000 and \$90,000. This year over 68% fell in this band in comparison with only 50% in 2004. There appears to have been a concentration of rates around the \$70,000 to \$90,000 range with fewer earning less or more than this amount.

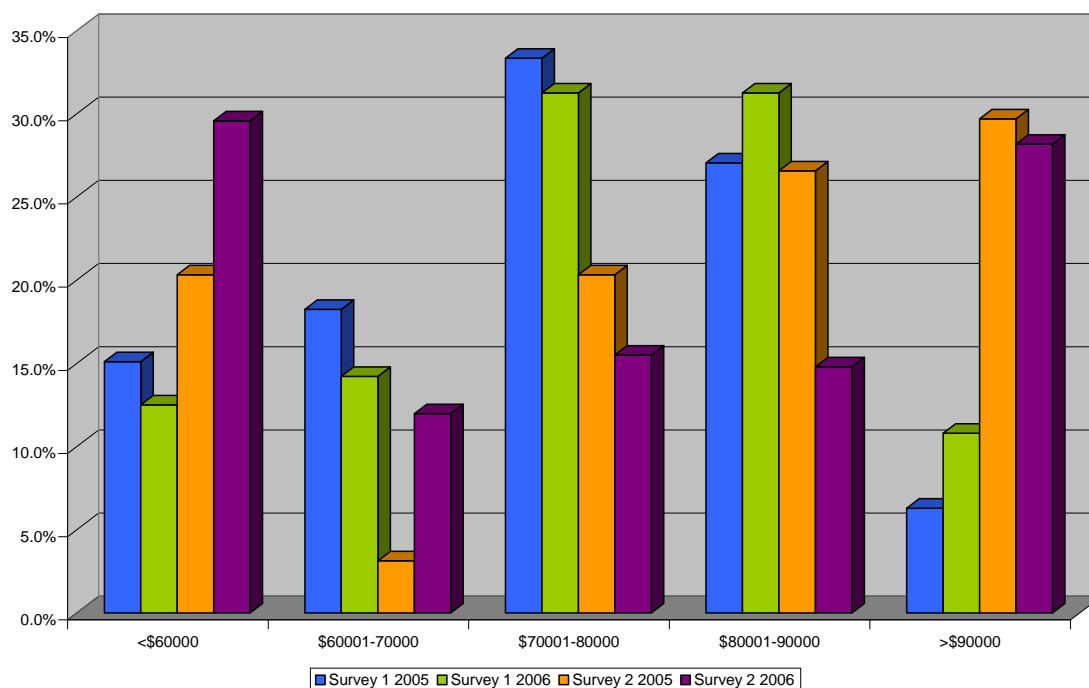


Figure 1: Annual salary ranges (ex superannuation) for documentation specialists

Contractors vs Permanent employees

Overall, in 2006 permanent employees earned slightly less than those who were contracting as shown in the following chart. It should be noted however that the sample contains far fewer permanent placements (14%) as compared with contracts. This also reflects the relative levels of seniority of the roles. Typically those contracting have extensive experience and perform at a consulting level.

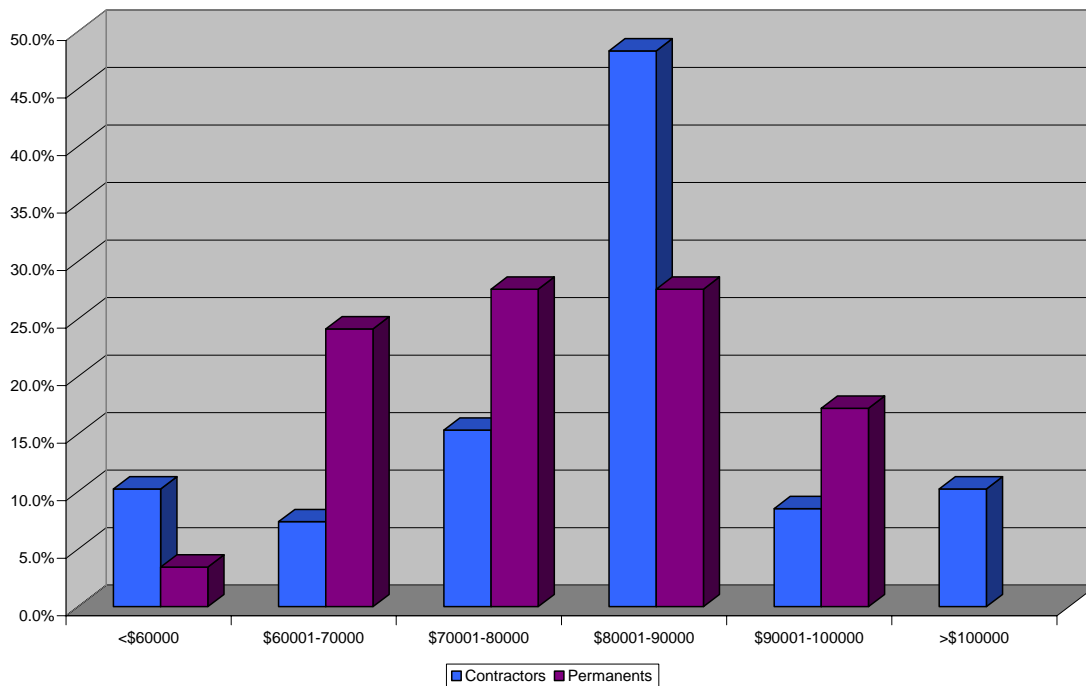


Figure 2: Annual salary ranges permanent compared to contractor

Results by job function

While the bulk of incomes in the sample are clustered around \$80000 - \$90000, overall, editors and marketing communicators tend to earn less than those working as technical writers. There is considerable variation in the amounts earned by instructional designers and trainers with some in this group being the best paid overall. This reflects the continuing strong demand for instructional designers and trainers with current SAP experience.

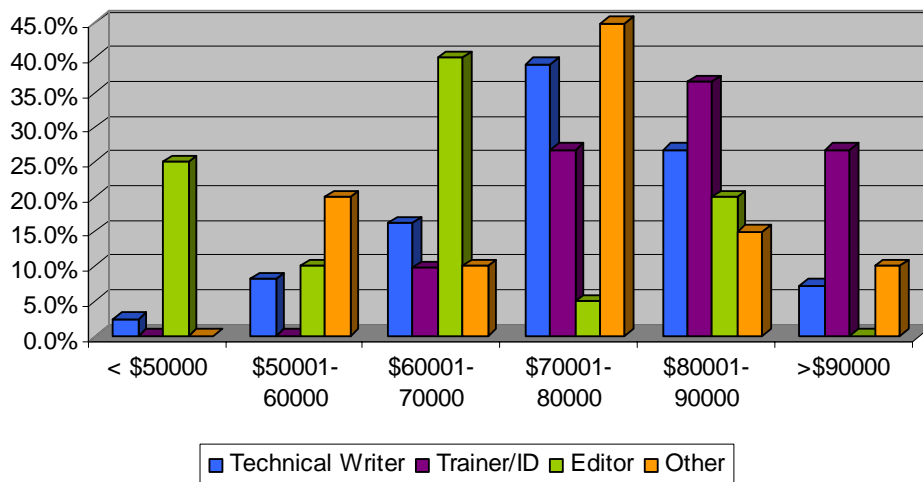


Figure 3: Annual salary ranges by main type of work (survey 1)

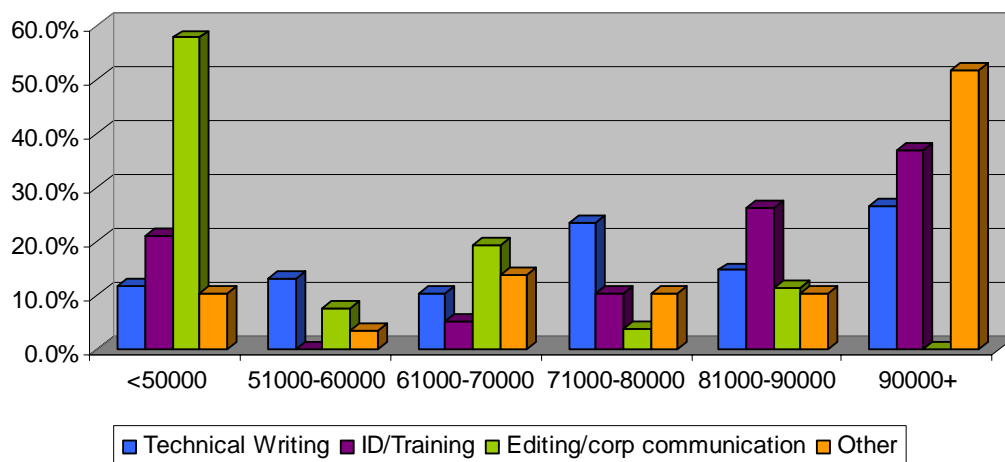


Figure 4: Annual salary ranges by main type of work (survey 2)

Proportion of Job Function

Participants in both surveys worked in a variety of roles. Often the roles encompassed a number of skills and functions. The following chart indicates the main role:

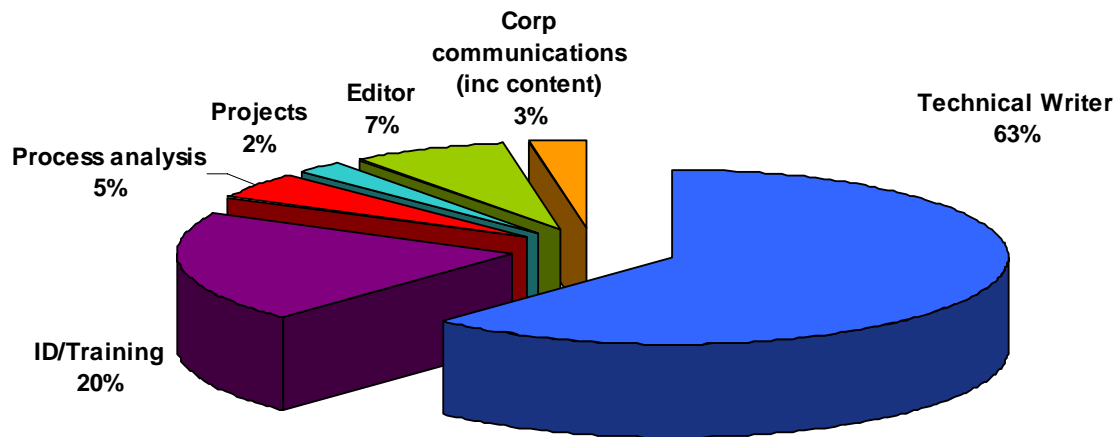


Figure 5: Proportions in Survey 1 by type of work

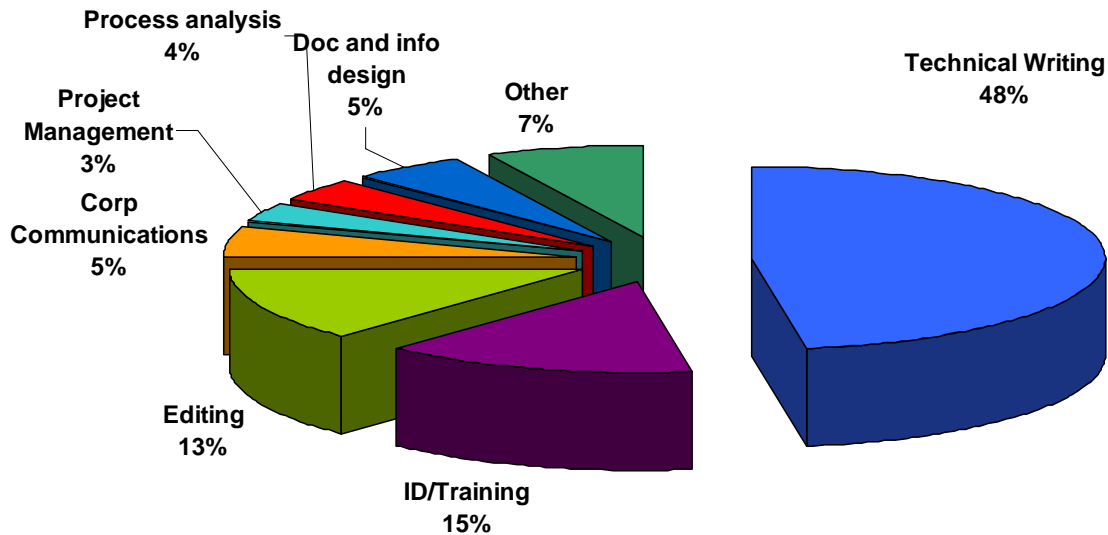
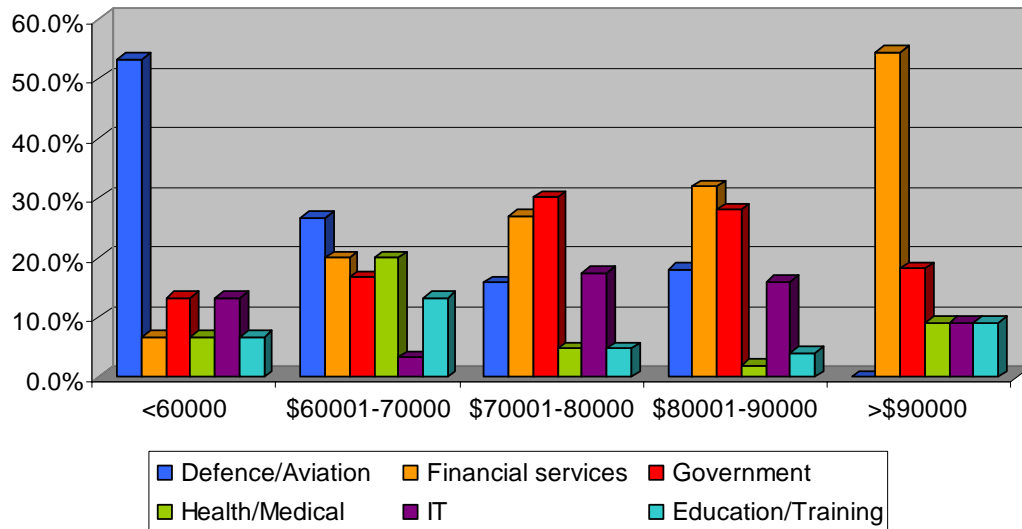


Figure 6: Proportions in Survey 2 by type of work

Results by industry

This year the industry of employment has had an impact on rates, with the majority of those earning over \$80,000 working in financial services and the majority of those earning under \$60,000 being in the defence/aviation sector.



Demographics

The demographics in this report are largely unchanged from last year. The only significant change is an increase in the number of people with post-graduate qualifications. The demographics of the samples are shown in the following table and Figure 8:

Location	Most of the respondents were working in the Sydney area. Numbers for Melbourne were too small to analyse separately but anecdotal evidence suggests that rates in Melbourne are slightly lower than those in Sydney for an equivalent level of experience.
Job functions	The top three primary job functions were: <ol style="list-style-type: none"> 1. Technical writing (62%, 47%²) 2. Instructional design/training (20%, 15%) 3. Editing and communication (10%, 19%).
Contractors vs Permanent³	86% of Survey 1 were contractors, mostly paid on an hourly basis. 14% were permanent placements. The proportion of PAYG (88.8%, 79.5%) and sub contractors, (11.2%, 20.5%) is similar in both surveys.
Education	The majority of both samples had a higher education qualification. 78% and 79% respectively had a university education including 42% (31% Survey 2) with a bachelor's degree and 36% (48% Survey 2) with a postgraduate qualification. The percentage of those with postgraduate qualifications is higher than our 2004 survey where only 22% had a post graduate qualification.
Experience	The majority of both samples (67%, 58.5%) had between 5 and 14 years relevant experience; however 22% (29%) had 15 or more years of experience. These proportions are unchanged when compared with the 2004 sample.
Hours worked⁴	77% reported that they normally worked more than 35 hours per week with 24% indicating that they regularly worked more than 40 hours per week. 13% reported working fewer than 32 hours a week.
Months employed⁵	44% of the sample worked for 12 months of the year and 73% worked for more than 9 months.

² First number is Survey 1, second number is Survey 2

³ Survey 1 data only

⁴ Survey 2 data only

⁵ Survey 2 data only

Industry⁶

Participants in the surveys were employed in a wide range of industries with the majority in financial services, government, and defence/aviation.

The main change since 2005 has been an increase in the proportion of employment in the financial services area (from 17% to 23%) and a corresponding decrease in government (from 34% to 20%). This is partly as a result of a conscious move by government to reduce their use of contractors with many long term contractors taking up permanent roles. Work in the financial services area is still being driven by some major IT upgrades as well as a desire to improve their communication especially with customers.

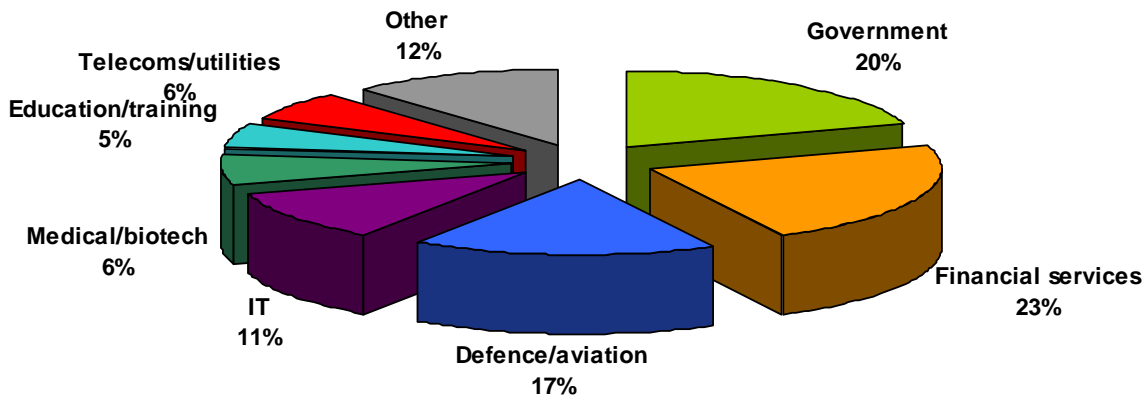


Figure 8: Distribution of documentation roles by industry

⁶ Survey 1 data only

Methodology

A number of assumptions have been made in order to produce this report. They are:

Equivalent annual full-time salary

The equivalent annual full-time salary is calculated as hourly rates multiplied by 1500 hours. The use of 1500 hours allows for the fact that contractors have to cover themselves for:

- unemployment (approximately four weeks per year)
- annual and sick leave (six weeks)
- public holidays (two weeks).

The 1500 hours also assumes that a permanent employee is paid a maximum of 1725 hours. These hours being comprised of:

- 37.5 working hours per week
- 4 weeks annual leave
- 10 days public holidays.

The salary figures include both base salary and 9% compulsory superannuation. Sick leave entitlements and usage varies.

Participants in Survey 2 were asked to provide details of actual working hours and months. These respondents reported that 72% worked for more than 10 months of the year and 73% reported that they typically worked more than 35 hours per week. Those working less than full-time naturally reported lower total earnings.

Other costs

The salary rates discussed do not include other costs associated with hiring a documentation specialist on a contract or permanent basis including statutory costs (eg payroll taxes, workers compensation premiums) and TechWriter benefit.

Sample

The individual items in the report are based on actual contracts not individual contractors. This means that if a person worked on multiple contracts, the information is reported for each contract.

Contractor information as to years of experience and educational qualifications was drawn from resumes. 'Years of experience' refers to relevant experience in a technical communication role. Contractors may have prior experience in a specialized field (eg IT) in addition to that referred to here.

Type of work

As most contractors will be aware many contracts encompass various components and use multiple skills. For the purposes of this report, we have identified the primary role where possible. Training includes instructional design as well as pure training activities.