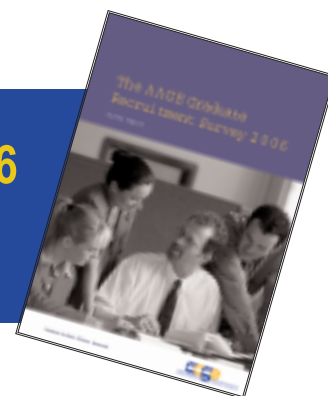


The AAGE Graduate Recruitment Survey 2006

An annual survey of the leading graduate employers in Australia



About the Survey

The AAGE Graduate Recruitment Survey 2006 is based on research conducted for the AAGE by High Fliers Research with 124 graduate employers during October 2005. The survey is produced to provide AAGE employers with the very latest market information on:

- Salary levels for new graduates starting work in 2006
- Vacancy levels for graduates commencing work in 2006
- Application levels and selection & assessment processes used by recruiters in 2005
- Marketing spend for events and activities in 2005

Graduate Vacancies

The survey shows that the number of graduate vacancies on offer from AAGE employers is rising:

- Graduate vacancies increased by 13.0% in 2006, compared to the numbers recruited in 2005.
- The accountancy firms are the largest recruiters (almost a quarter of all 2006 vacancies) and have increased their vacancies by 12.6% year-on-year
- By state, the largest number of vacancies in 2006 are in Victoria (27.3% of total), New South Wales (24.8%), ACT (12.0%) and Queensland (11.3%).
- By job function, the most vacancies in 2006 are in accountancy (22.0%) and general management (20.1%).
- 40% of organisations did not fill all their vacancies for 2005.

Graduate Salaries

The AAGE Graduate Recruitment Survey 2006 shows starting salaries are still increasing, but are starting to level out:

- Graduate starting salaries have increased by 1% in 2006, compared to the rates paid by employers in 2005. The median graduate starting salary for 2006 is \$43,000 up from \$42,600 in 2005.
- The highest starting salaries for 2006 are for positions at investment banks, mining companies, and law firms.
- By area, the highest median salary is in South Australia, the lowest were recorded in ACT.
- By business function or career area, the highest starting salaries are in investment banking and mining engineering.
- Investment banking, chemical engineering and civil engineering roles have all had increases to their starting salaries of at least 9%.
- Starting salaries for 2006 have increased at 60% of all employers from the 2005 figures.

Graduate Marketing

Employers' spend on graduate marketing activities has been profiled for 2005:

- Organisations spent a median of \$6,000 on their own recruitment literature and a further \$4,000 on their own graduate websites.
- Employers spent a median of \$4,500 on online promotions. Graduate recruitment advertising (for example in careers directories, newspapers, journals) had a median spend of \$10,000.
- \$5,500 was the median spend on careers fairs, with an additional \$1,200 spent by employers on their own campus presentations.
- Overall, the median spend by an employer on graduate marketing activities was \$24,800.
- When combined, these employers spent in excess of \$5m on marketing activities in 2005.
- Employers' own recruitment websites were viewed to be the most successful activity.

Applications & Selection

Recruiters' selection techniques were reviewed alongside the budgets required for staffing, application processes and recruitment overheads :

- Behavioural based interviews were the most popular selection technique for assessing candidates (81%). Skills based interviews and aptitude testing were both used by 42% of employers.
- In 2005, the median number of applications received by employers was 600.
- The median number of applications per vacancy in 2005 was 27.
- Two Full Time Equivalents was the median number of staff working on graduate recruitment in 2005.
- Median spend on selection processes in 2005 was \$30,000.
- The spend on overheads directly related to graduate recruitment was \$15,000.

Graduate Programmes

Graduate programmes were examined, along with retention rates. Recent graduates' abilities were rated against similar criteria to that used in selection processes :

- Over half of employers operate graduate development schemes that last either two or three years.
- 97% of graduates employed to start work in 2005 remain with their first employer.
- 90% of graduates employed to start work in 2004 remain with their first employer.
- 80% of graduates employed to start work in 2003 remain with their first employer.
- Recent graduates scored highly for their attitude, commitment to career and university grades.
- Recent graduates scored least favourably for commitment to employer, company research on employer and business knowledge.