



ambition

Accounting and Finance Recruitment
Market Trends & Salaries Report

Australia Summer

08

→ ambition ... be inspired

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Executive Summary

The Accounting and Finance recruitment market is buoyant right now, with similar levels of activity predicted for the year ahead. There is currently a strong demand for newly qualified Accountants across the board, while at the mid level we are witnessing strong demand for accomplished Analysts, Internal Auditors, Group Accountants, all the way up to the Financial Controller level.

Candidates with technical skills are capable of achieving significant rewards from a marketplace in which their skills are increasingly scarce. Employers also have a new found respect for communicators – the modern Accountant is required to be more than a number cruncher, they need to be able to partner with the business, not only being able to identify opportunities to achieve business growth through cost effective initiatives such as improved systems and processes, but also being able to champion those initiatives to the rest of the business.

Job seeker confidence is still high with the unemployment rate at a 32 year low and an increasing awareness of the skills shortage in this space. Candidates are being more proactive with their searches, looking for companies they want to work for and waiting to find the 'right' role within the 'right' employer.

The companies who are winning the war for talent are those who can move quickly and have enough flexibility in their recruitment processes to make rapid decisions to secure highly sought after candidates. Employer branding is increasingly important, as is work/life balance and in many cases, an ability to provide employees with non traditional benefits such as industry association, gym memberships or flexible home internet connection. Training and development remains critical, as does the 'onboarding' process.

We expect the market to remain much the same as 2007 throughout the coming business year, with the demand for qualified accounting professionals still exceeding supply by some margin. With the continued attractiveness of overseas markets and the increasing transactional deficit between candidates coming to and leaving the nation, there is little reason to believe the skills shortage issue will be resolved any time soon. The key challenge for recruiters in this market over the next 12 months will be sourcing quality candidates in a timely fashion without creating unsustainable wage growth.

Gavin Houchell
Managing Director, Ambition Finance



"The modern Accountant is required to be more than a number cruncher"

Economic Overview



"The unemployment rate fell to a historically low level of 4.3% in the September quarter"

Throughout the last decade, the economy has grown at an average of 3.5% and in the year ahead it is predicted to grow by a similar amount again (3.75% according to the Commonwealth Federal Budget). This economic prosperity has created an excellent environment for businesses, and throughout the decade we saw business investment grow at an annual average rate of 8.4% (it is currently at its highest level for 32 years). Between strong business growth and a high performing dollar, companies remain confident in the Australian economy and are investing at an impressive rate.

Much of this confidence is underpinned by the ongoing resources boom being led by the emerging giants of China and India. With an abundance of natural commodities, and a seemingly insatiable desire by these two nations for increasing energy resources, Australia is in an excellent position to profit from this changing economic landscape. The effects of this boom have been noticed most directly in the resources sector, where there has been huge expansion among energy companies in terms of both organic growth and aggressive acquisition. The result has been an enormous surge in demand for employees in the Mining, Mineral and Energy sector overall.

Last year featured a number of private equity takeovers, but with the rising interest rate and global debt markets over the last six months we have seen the once prolific M&A activity return to traditional levels. With money more expensive to borrow, the rate of return for acquisition specialists has decreased, and resources are now being directed to other ventures.

The labour market is the key economic indicator for the Recruitment sector and it is in this area that we can begin to see the main problem facing the industry throughout the next 12 months. The unemployment rate fell to a historically low level of 4.3% in the September quarter, whilst the participation rate is at a near record of 64.8%. In the last decade the Australian economy has produced no less than two million extra jobs. In short, the economy is performing so well that we are experiencing real problems finding staff to fill all the vacancies we have. At the top level, where employers require candidates with professional qualifications, industry experience and specialist skills, the problems are exacerbated by the inherent scarcity of these resources to begin with.

For employees, this has led not only to increasing salaries, but also changes in corporate culture, as companies become more sensitive to both the acquisition and retention of their staff. For employers, the lack of qualified employees has led to increased waiting periods in filling key positions and increased pressure on wage levels overall.

The key challenge for the industry throughout the next 12 months and indeed for several years beyond that, will be finding ways of attaining and retaining the employees needed in reasonable time frames without experiencing exorbitant salary growth. In this environment the value of working with a recruitment partner who understands the market intimately has never been more apparent.

Demand Drivers

Skills in High Demand

Financial and Group Accountants remain in high demand across all sectors. There is a shortage of Cost Accountants, as well as people with Supply Chain experience. At the part or newly qualified level employers are looking for bright staff that can bring both commercial awareness and an ability to communicate effectively to the table. These candidates remain popular, as always. At the mid end of the market there is a demand for Internal Audit professionals, while the need for Senior Commercial and Financial Business Analysts is strong. Candidates who have a proven ability to add commercial value to a business are highly sought after, with companies working hard to retain these rare commodities. Quality mid level Financial Controllers remain in short supply, while candidates who have technical reporting skills from listed companies are very difficult to acquire.

Geographical Hot Spots

The continued allure of larger spaces and office locations with lower rent continues to pull a number of clients into regions outside of the CBD in NSW, VIC and QLD. Here there can be excellent remunerative opportunities for candidates willing to take the plunge. The strong Queensland economy underpinned a very busy Brisbane recruitment market, particularly in permanent accounting up to the \$90,000 level. Melbourne continues to experience steady growth, with strong demand for Auditors, Financial Accountants and Risk and Compliance professionals.

Sector Notes

Financial Services

With strong growth overall, underpinned by record profits and rapid expansion in a number of areas, the Financial Services sector remains both an active and buoyant recruitment marketplace. Demand for Financial Accountants, Product Controllers, Fund Accountants, and Compliance professionals continues to dominate the industry as a result of increased structural products and changes in superannuation legislation. However, the market is not without its share of challenges. As witnessed with the US sub-prime lending scenario, the need for companies to remain vigilant about their standards and processes remains.

Media & Advertising

Changes to media ownership laws have turned this space into one of the more exciting sectors in terms of activity. Consolidation has been a key theme in the last 12 months, as many of the market's 'heavy-hitters' acquire complimentary businesses in order to increase their product offering across a range of platforms. With a number of major commitments already guaranteed in relation to new media platforms we can be sure this space will remain reasonably buoyant throughout the next year.



"Candidates who have a proven ability to add commercial value to a business are highly sought after"



“Companies still insisting on three to four interviews are often losing high calibre candidates”

Utilities & Energy

M&A and the launch of new funds continue to drive recruitment demand in this sector. There is a huge need for commercial and 'value-adding' Accountants as a number of relatively new businesses continue to refine their processes. The strong resources demand from China and India has created high levels of activity in the Resources sector, as the quest for discovering new assets that can be developed continues in earnest. We are also starting to see some work for the developing sustainable Energies sector, as companies begin to look at resources to satisfy a growing demand for green energy.

Retail/FMCG

The recent trend of private equity firms becoming aggressively involved in takeover bids has slowed over the last six months. Inflationary pressures, including both the rising interest rate and high petrol prices, has helped to slow sales in the Retail sector overall. This has led to a trickle down reduction in recruitment budgets. Cost Accountants, particularly those with supply chain experience remain in high demand, and we have also seen a number of emerging opportunities for candidates willing to move out of the cities.

IT&T/Telecoms

Increasing competition in the IT market has led to a drive in demand for Accountants with pricing experience in large customer databases, as companies seek to balance the fine line between competitiveness and profitability. A number of mergers have also driven demand, as companies look to integrate systems and refine their business processes.

Companies Moving Quickly on Top Level Talent

With the shortage of qualified Accountants at most levels, companies still insisting on three to four interviews are often losing high calibre candidates who accept another offer from what is perceived to be a faster moving, more dynamic environment. In response to this, companies are moving much faster to secure the talent they require. This is where the true value of working with a recruitment partner becomes apparent. Employers can utilise the relationship between candidates, recruiters and themselves to greatly reduce the recruiting process time. Good recommendations on applicants from specialist recruitment partners can prove to be invaluable when employers are forced to move quickly with their hiring decisions.

Increase in Salaries to Attract & Retain Top Talent

There have been increases in salaries across the board, but in particular the \$80,000 - \$120,000 level due to the lack of skilled candidates. This has been as high as 15% for candidates with skills rare in the market. Counteroffers have also driven this high increase as employers fight to retain talented staff. There has also been a renewed focus on non-cash benefits offered by employers to attract and retain their best candidates. These benefits are being used in recruitment advertising to lure talent – bonuses, location and career development opportunities all feature in the list of benefits currently sought by candidates.

Supply Drivers

More Flexibility in the Selection Process

With no short term solution to the skills shortage crisis, employers are responding aggressively with a range of initiatives, including an increased flexibility toward selection criteria. Candidates with skills which are in short supply, but who are inexperienced in a desired environment, are increasingly being given opportunities they previously would not have been considered for. Because of this, selection tools such as psychometric assessments become more important. These assessments give companies a feel for the "type" of person they are considering and the surroundings in which they are likely to work most effectively. Employers are using these assessments to reduce the risk they are taking in a market which requires faster recruitment decisions and more flexibility. In addition, companies are taking extra precautions and checking candidates' backgrounds prior to employment. This often includes the verification of qualifications and employment history as well as traditional references.

The Overseas Candidate Transactional Deficit

The flow of candidates to and from Australia continues to play a key role in the overall supply levels of the Australian recruitment market. We continue to see good levels of candidates in the \$60,000 - \$100,000 space arriving from the UK for periods of one to two years – providing a valuable pool of resources, particularly in the contracting market.

Balanced against that is the significant amount of Australians who are being lured to the UK and Asia through long term visas, ancestry visas or sponsorships for longer term positions. With the pound performing so well, it can be difficult for Australian companies to compete for candidates on salary levels. Given there are so many opportunities for executive level candidates in the UK it is not uncommon for candidates to stay for much longer periods – often up to ten years before returning home to raise a family, or other personal reasons.

This ends in a transactional deficit for Australia in the international flow of candidates. Generally speaking, the candidates who come to this country looking for work tend to stay for a much lesser period than those who leave in search of more profitable opportunities. To make matters worse, the candidates taking up positions overseas tend to be the cream of our candidate crop. Australians who leave to take longer term international positions range between 25-35 years old, often have professional qualifications, are good communicators and have industry experience. In short, they are exactly the kind of people our own burgeoning markets are crying out for.



"We continue to see good candidates in the \$60K - \$100K space arriving from the UK"



“Employees are becoming increasingly aware of how valuable their skills are in the open marketplace”

Visas and Sponsorships

Recent changes to the 457 visa legislation designed to tighten the intake of temporary skilled migrants, appears to be exacerbating the already critical shortages in the industry. Labour hire firms must now use a labour agreement to sponsor these workers, adding another time consuming layer of administration to an already onerous administrative process. In relation to 417 (Working Holiday) visas, the relatively short period's that workers can stay in the country (12 months) and work for a single employer (no more than six months at a time) rule out many of the qualified candidates the market desperately needs.

Advances in Technology

A major factor in the ongoing globalisation of the market is the advances that are being made in communications technology. With the availability of reliable, high quality video conferencing services, employers are able to begin preliminary interviews with candidates from a range of backgrounds in a number of countries. The better our telecommunications infrastructure gets, the smaller the world becomes.

Retention Retention Retention

In the current environment, employees are becoming increasingly aware of how valuable their skills are in the open marketplace. With this in mind, many employers have moved to ensure that the talent they need remains in house rather than being lost to a competitor. Employers are becoming more consultative in their approach and working hard to instill loyalty to the company's brand. The adoption of increased flexibility in the workplace, the ability to work in several different functions and the opportunity to work with emerging technologies, have all proven to be useful tools in a company's attempts to retain key personnel. A number of clients are also using regular feedback and career planning sessions to improve communication and identify issues in order to pre-empt any desire to move. Ambition supports this practice by conducting seminars with key clients to share retention strategies and best practice. In this way, employers are able to retain key staff that are highly valued by the competition, ensuring that the resources they need to function successfully are not being lost to an aggressive marketplace.

Accountants Pay – Remuneration and Reviews

Industry lobby groups, economists and employers are all wary about the dangers of rising wages. Yet, with a historically low unemployment rate and fierce competition for increasingly scarce resources, we are witnessing genuine upward pressure on salary levels right across the board.

This pressure is more pronounced in some areas. Market sectors of particular interest include;

Taxation; Junior Taxation Accountants are in significant demand and are capable of earning salaries ranging from \$65,000 - \$95,000 depending on experience. Taxation professionals with four or more years experience are able to demand excellent remuneration packages, and employers have been known to pay increases of 15% for candidates with the right skill set.

Audit; Demand for Auditors and Compliance professionals remained high in 2007, with wages rising across the board accordingly. However, unlike some other sectors, these rises have been more modest with increases in the 8% range.

Financial Reporting; Demand for Financial Reporting professionals continues to remain high, and candidates with the right mix of technical skills and strong communicative abilities are capable of reaping significant rewards. This is most notable at both the lower level (candidates with three to five years experience have routinely seen wage growth at around 10-14%), and the upper level (Finance Managers and Financial Controllers are capable of achieving significant increases in both salary and bonuses depending on skill set, experience, and the situation itself).

In addition, we have seen strong demand for Technical Accountants pushing wages high in this area. Newly qualified Accountants remain popular, with the current environment of candidate scarcity enabling them to negotiate improved terms for both salary and conditions.

New South Wales remains the market driver for the accounting industry, with over 45% of all advertised accounting roles being offered in that state (the vast majority of which are based in Sydney). Melbourne remains stable, with strong demand for Operational Accountants and banking professionals helping to drive job demand in this area. The Queensland market continues to grow, with emerging opportunities in Brisbane pushing demand to record highs. Western Australia has also experienced growth, whilst demand across the rest of the nation remains steady.

Benchmark Reviews

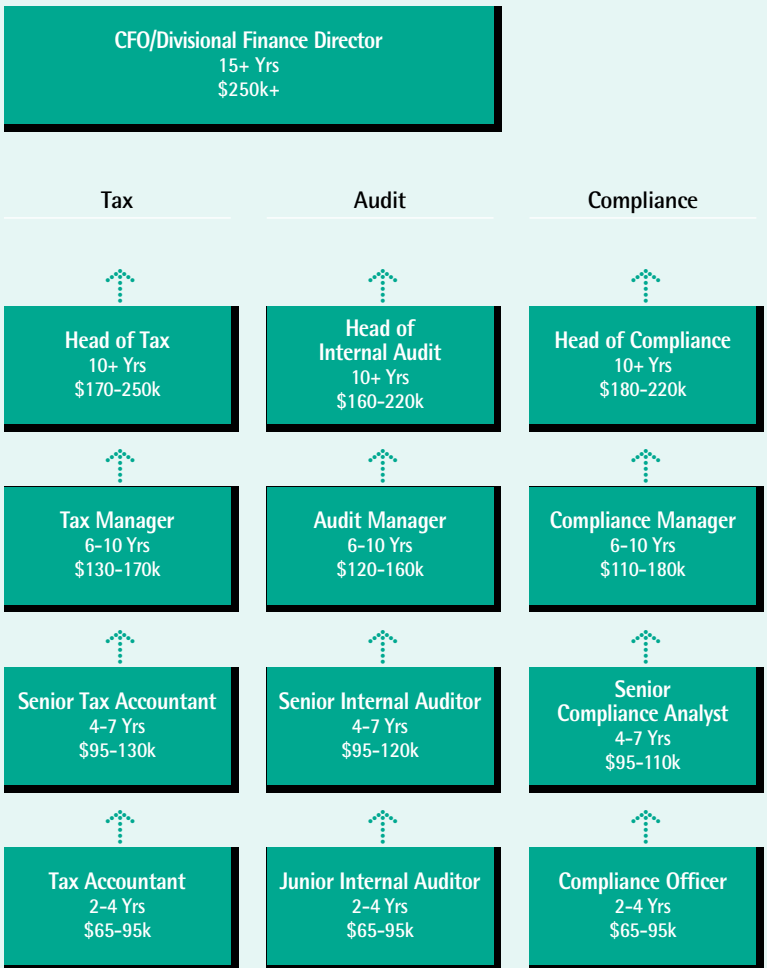
We work with clients to benchmark their staff salaries against the market and advise on what salary reviews should be to remain competitive. If you seek help in this area, please contact Gavin Houchell, Managing Director – Ambition Finance on 02 9249 5000 or email gavin.houchell@ambition.com.au

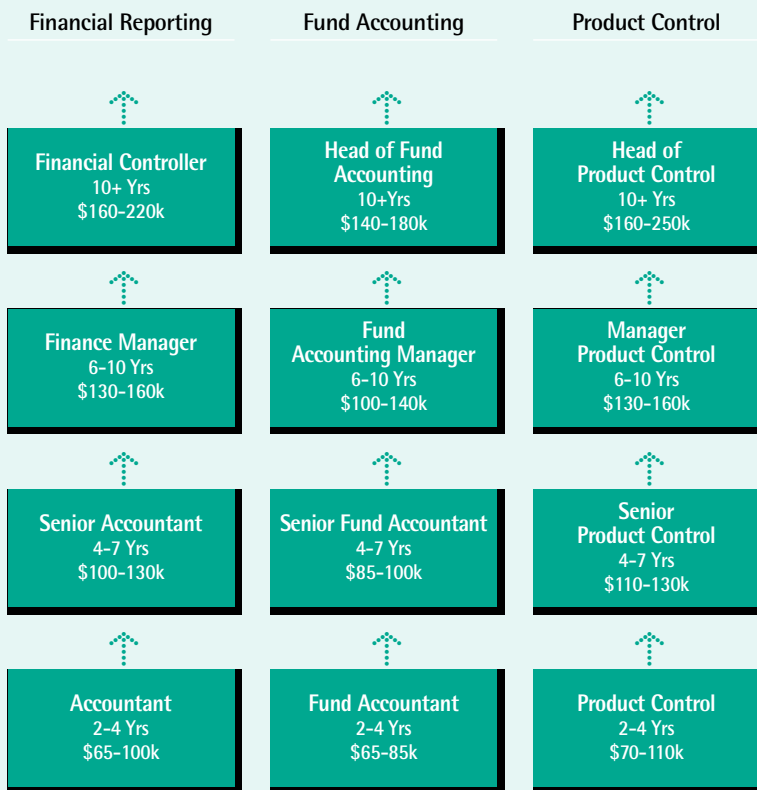


"We are witnessing genuine upward pressure on salary levels right across the board"

Salary Guide

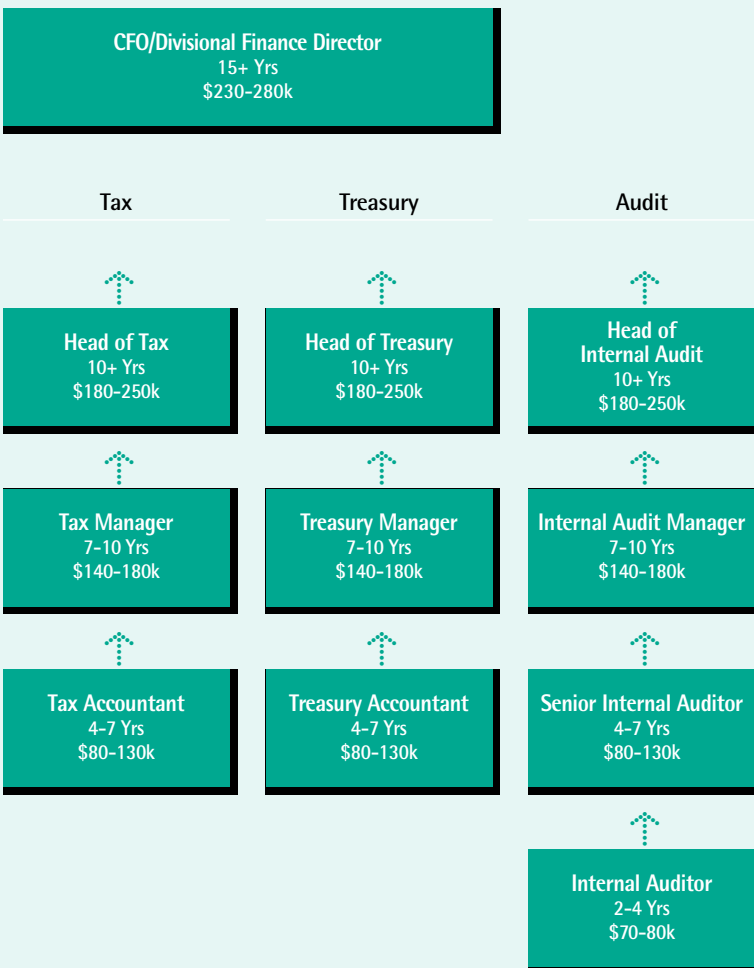
Financial Services Sector





Salary Guide

Accounting in Commerce





The figures for both the Banking and Commercial sectors are ranges expressed as TCE (Total Cost of Employment) packages.

Cash + Superannuation, excluding Short Term Incentives. These vary according to organisational size and sector and the individual circumstances of both the job seeker and employer.

Positions are described by years of postgraduate experience and ranges of \$AUD.

The Ambition Accounting Jobs Index

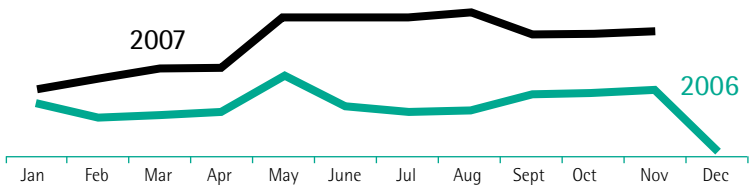


Accounting Job Vacancies Higher in 2007

The Ambition Accounting Jobs Index records the accounting job vacancies each month in the print media and key job sites state by state for both contract and permanent vacancies. The Index is published monthly and detailed results can be found on the Ambition website www.ambition.com.au

In 2007 the national accounting job market has improved with an increase in vacancies compared to 2006.

Volume of Accounting Positions Australia Wide



Sydney Remains the National Hub

The Ambition Accounting Jobs Index also records each state's share of national accounting vacancies. Sydney remains the key centre, although Brisbane is gaining momentum, increasing their share in the last six months.

National Share of Accounting Positions November 2007



Sydney	44%
Melbourne	25%
Brisbane	18%
Perth	8%
Adelaide	3%
Canberra	2%
Hobart	less than 1%

About **Ambition**

Ambition Finance

- Professional and Executive Finance positions to \$300,000.
- Accounting and Finance - Accounting, Analysis, Financial Management, CFO etc.
- Audit, Risk, Compliance, Company Secretarial.
- Banking and Finance - Investment & Portfolio Administration and Accounting, Operations and Middle Office Reporting and Support, Product Control, Research, Analysis, Corporate Finance.

Ambition Technology

- Information Technology and Telecommunications positions to \$300,000.
- Support, Development, Analysts, ERP/CRM, Network Admin, Project Management, Architecture, Business Intelligence, Security, CIO.

McGinty Recruitment

McGinty Recruitment is the leading Brisbane recruitment consultancy specialising in Accounting and Finance, Office Administration and HR.

AccountAbility

- Clerical and support Accounting positions
- Accounts Payable, Accounts Receivable, Payroll, Reconciliations, Accounting support.

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