



MARKET TRENDS REPORT 2H 2011

FINANCE &
ACCOUNTING

ambition



Australia



Hong Kong



Singapore



United Kingdom

Introduction



Change is a word we've been hearing a lot of lately – and after a couple of difficult years in the Finance & Accounting recruitment market, it is a word we like to hear.

For many businesses, change is firmly on the agenda. Whether it is internal finance transformations, large scale systems / process improvements; or changes in general business direction and strategy, a collective recognition of improving conditions seems to be sweeping through the marketplace, bringing with it a guarded sense of optimism about the year ahead.

Activity levels have been increasing in both the contracting space and at the entry point of the market for some time now, but the early months of 2011 have seen a resurgence in hiring activity at the middle management (\$130K-\$170K) level as well.

At the senior levels (\$200K+) activity levels are improving, but we have not witnessed an opening of the flood gates. What is notable however is that the positions that have been available have been more typically the result of positive business sentiment, through succession planning or restructuring for growth instead of cost reduction.

Over the past twelve months the economy has been driven in large part by demand for Australian commodities, with much being written about the success of the mining, infrastructure and utilities sectors, and the underperformance of the retail and FMCG markets. Caution has been the watchword, with recruitment plans being defined by an overall sense of conservatism.

That too may be changing. So far in 2011 we have seen an appetite for the commercial sector to invest in value add, decision support and planning roles – positive signs that the market is moving on from a period of risk minimisation, and is again starting to look at improving shareholder value, profit outcomes and overall market share.

The author Norman Vincent Peale once wrote “change your thoughts and you change your world”. From what we have seen of 2011 so far, the thoughts of the people who drive the employment market are undergoing a change. For employers, employees and recruiters alike – that is good news for our world.

Gavin Houchell
Managing Director – Ambition, Finance & Accounting

Economic Overview

The Australian economy continued its good run in the early part of 2011, with strong economic growth, outstanding terms of trade and an unemployment rate that is the envy of most nations the world over. Driven in large part by a resources boom creating enormous demand for Australian commodities, we have enjoyed remarkable resilience in the face of overseas pressures and posted significant economic growth behind strong performances in the mining, oil & gas and utilities sectors.

Notably, Australia has also enjoyed a sustained period of currency stability with the AUD achieving record highs against the USD and the Yen, underscored by strong commodities demand, and upward pressure on prices for traditional Australian economic strengths like minerals and food - this trend looks set to continue over the next twelve months. Never has the Pacific peso looked so good!

Of course, whilst the ongoing strength of the Australian dollar has provided a once in a lifetime opportunity for holiday makers and an increasingly safe haven for currency traders, it has also provided major challenges for significant portions of the economy. The Tourism sector has been hardest hit, with services set up around the pipeline of overseas tourist dollars suffering from a marked drop in international tourist activity, as well as providing challenges for manufacturers (particularly smaller ones) with a vested interest in export markets.

 *Australia remains in a unique position to take advantage of continued growth in a number of Asian economies.*

Another major concern is the deflated rate of consumer spending – a hangover from the GFC perhaps, with households opting to increase savings and reduce debt in the wake of recent financial difficulties. Reduced consumer spending has made the market conditions more difficult for retailers and certain FMCG companies, with the rates of growth experienced in these sectors significantly less than we are seeing in the boom resources area.

Other concerns remain on the horizon. With continued demand for commodities driving further employment growth – and an economy that is already experiencing something near full employment, there are legitimate concerns about upcoming human resource supply shortages, and associated inflationary pressures. Additionally, like much of the rest of the Pacific, Australia waits to see what long term effect the recent spate of natural disasters in the Pacific Rim will have on local economies. The US economy remains stubbornly stagnant. Elements of the European community are facing substantive recessionary pressures. Geo-political developments in the Middle East could impact markets significantly. Globally, the challenges to our current economic strength remain evident.

In the face of all that however, the economic outlook remains buoyant. Australia boasts low inflation, falling unemployment and increasing business confidence. Most importantly - with our wealth of natural resources, Australia remains in a unique position to take advantage of continued growth in a number of Asian economies.

Demand Drivers

The Two Speed Economy

Much has been written about the two speed economy in recent months – and whilst economists continue to debate its existence and the magnitude of its effects - we can certainly confirm that varying levels of growth are being experienced in the various sectors of the finance & accounting employment market. Strong growth has been fuelled by sectors in demand, ie; infrastructure, mining, oil & gas, utilities, large scale capital works and services firms that are aligned to those sectors. Underpinned by strong international demand for commodities, and a renewed focus nationally on infrastructure and utility development, these sectors have proven to be significant drivers in economic growth and overall employment creation over the past twelve months.

Conversely, with the expiration of several Government related stimulus spending packages, and with consumer confidence dented by the recent Global Financial Crisis, we have seen consumer spending become far more restrained as households look to increase their savings as a bulwark against further economic downturns. Accordingly, sectors that are typically consumer related, particularly in the retail and FMCG markets have found the conditions to be significantly more challenging.

Additionally, it is important to note that the economy is growing at different speeds not only by sector – but also by location. Western Australia and Queensland (prior to the recent floods) were experiencing significant growth, compared to the relatively stagnant economies in New South Wales and Victoria.

Compliance & Governance

Compliance and corporate governance has remained a consistent, reliable creator of employment opportunities for finance professionals throughout 2010 and continues to be a significant demand driver in 2011. The benefits of strong reporting and controls, combined with the rigorous and growing regulatory requirements ensures that this arena remains relatively buoyant regardless of economic conditions. Professionals with backgrounds in reporting, treasury and audit were all in demand in the deflated post GFC market, and now, with conditions improving, they remain as popular as ever with employers. Top candidates who are active in the market are beginning to experience multiple offers, with certain skill-sets seeing upward pressure on salary levels.

Growing Business Confidence

In the latter half of 2010, into the early months of 2011 we have seen an appetite for the commercial sector to invest in decision support, planning and analysis at a greater pace. This spike in value adding roles suggest a returning sense of business confidence, with organisations looking to the future and beginning to reinvest in the appropriate resources and capability to evaluate and guide the executive team on profitable market strategies and potential growth prospects.

Over the past few months we have also witnessed a significant increase in demand for Project Accountants, as businesses move on from the fiscal conservatism of recent times and renew their large scale projects designed around system enhancements, improving internal resourcing and/or new business acquisition. We predict this trend to continue throughout 2011.

Restructuring of Financial Teams

The rising trend toward finance team restructure that we have seen over recent years also looks set to continue throughout the current business calendar - indeed, finance transformation is one of hottest topics in the accounting employment market right now. Changing business conditions, the need to constantly revitalize the organisation, along with an increased push for the finance department to not just facilitate, but actually drive business strategy and performance has created the need for finance teams to be constantly evolving. This evolution involves an ongoing series of changes, and this continuous drive toward structural and overall process management improvement has been a significant driver of employment demand over the past six months in particular.

 *After a period of career stagnation, many employees are now actively pursuing new opportunities with great interest.*

Seasonal Demand

With June 30 approaching quickly, we have also seen a spike in activity in the market as companies begin to get ready for the oncoming reporting season. As always, the demand for Tax, Treasury, Internal Audit and specialist technical Accountants is set to pick up as businesses comply with reporting and governance demands. This is traditionally a great time for Newly Qualified's to make a move, or for contract Accountants to take advantage of the short term increase in demand for their services.

Increasing Levels of Hiring

In an active employment market, a certain level of activity is always derived by employment churn. Businesses are restructured, careers progress, employees leave to take on new opportunities – and these create new positions for other candidates looking to make a move.

Over the last few years we have seen the level of churn reduce significantly. Confidence was down, restructures were leading to reduced, rather than increased headcount and the natural inclination for employees was to focus heavily on job retention in their current role. Naturally, with fewer opportunities out there, and increased competition for those opportunities, job stability is considered at a premium.

With conditions improving however, we are noticing an increase in the levels of activity deriving from employment churn. After a period of career stagnation, many employees are now actively pursuing new opportunities with great interest. As candidates move on from the necessity of job retention, and begin again to focus on career aspiration we are beginning to see more opportunities appear. As candidates leave to take new positions, it also leaves those positions to be filled. In this way the employment market becomes organically driven by the consequences of natural occupational mobility.

Are we at the point where employment churn is becoming a major supply driver in its own right? Not quite. But the levels of activity suggest that this point may be coming.

Accounting in Commerce

Title	Experience	2H 2011
CFO / Divisional Finance Director	15+ years	270K+
Tax		
Head of Tax	10+ years	180K-250K
Tax Manager	7 - 10 years	140K-180K
Tax Accountant	4 - 7 years	90K-130K
Treasury		
Head of Treasury	10+ years	180K-250K
Treasury Manager	7 - 10 years	140K-180K
Treasury Accountant	4 - 7 years	90K-130K
Audit		
Head of Internal Audit	10+ years	180K-250K
Internal Audit Manager	7 - 10 years	150K-180K
Senior Internal Auditor	4 - 7 years	110K-150K
Internal Auditor	2 - 4 years	80K-110K
Financial Reporting		
Group Financial Controller	10+ years	180K-250K
Finance Manager	8 - 10 years	150K-180K
Senior Financial Accountant	5 - 8 years	120K-140K
Financial Accountant	3 - 5 years	80K-110K
Commercial / Management Accounting		
Commercial Manager / Director	10+ years	180K-250K
Senior Management Accountant / Manager	8 - 10 years	150K-180K
Management Accountant	5 - 8 years	90K-140K
Cost Accountant	4 - 7 years	70K-120K
Strategy & Planning		
Head of M&A	10+ years	220K-260K
Financial Planning & Analysis Manager	8 - 10 years	160K-210K
Senior Financial Analyst	5 - 8 years	120K-150K
Financial Analyst	2 - 5 years	80K-120K

Sector Notes

Mining & Resources

The mining & resources sector has enjoyed a lengthy period of relative prosperity over the last few years, and driven by ongoing demand from a number of growing Asian economies (with a particular emphasis of course on China), this looks set to continue throughout the year. We are witnessing enormous growth right throughout the sector; Management Accountants, Projects Accountants and Business Analysts are all in demand – and top quality candidates with backgrounds in systems accounting or procurement will likely have a selection of offers to choose from.

Energy & Utilities

This segment is seeing an uptick in activity of late, with utilities companies becoming more confident about expanded earnings potential and further consolidation opportunities. Business Analysts, Procurement specialists, Finance Accountants and candidates with experience in billings and/or credit are in high demand, with a premium being placed on those with skills in the planning and reporting fields. We are also seeing demand for Project Accountants and professionals with backgrounds in asset management.

Property & Construction

The last few years have been tough on the property sector, but the first few months of 2011 give us cautious hope that market conditions are finally improving. Property Accountants, Property Analysts and Financial Accountants are all in demand right now, particular at the \$80K-\$130K area of the market. We have also seen a number of emerging opportunities in the contracting space, with some property businesses growing in confidence about the market prospects – but remaining cautious in their recruitment moves following recent economic setbacks.

Retail & FMCG

Whilst internal changes at a number of large FMCG companies stimulated considerable activity toward the end of last year, much has been written about this sectors slower rate of recovery from the difficult conditions of 2009. Whilst it is too early to suggest that retail & FMCG sector is undergoing a complete revival, there is growing evidence that that rate of recovery may be starting to pick up. Numerous companies in this space are actively looking to expand their finance teams, with a particular focus on candidates capable of providing commercially focused and business partnering propositions. FP&A Managers, Financial Analysts and Strategy professionals have all seen a surge in demand, in addition to the more traditional requirements for Cost Accounting and Reporting Analysts.


Telecommunications / IT

We are seeing quite a bit of activity in this segment, driven in part by the renewal of large scale projects that have been on hold over the last 12-18 months. Internal systems consolidation and external system enhancements are both on the agenda right now, with a subsequent increase in demand for staff to help manage the process. Commercial and Revenue Managers, Reporting Analysts, Transition Specialists and Management Accountants are all in demand – along with a significant number of opportunities for candidates with backgrounds in audit and compliance.

Media & Advertising

The Media & Advertising sector is currently undergoing a period of increased activity, partly due to investments in order to stimulate consumer activity and as a result of large scale media mergers. Consolidation in the newspaper & radio sectors continue to drive demand for candidates with relevant skill-sets.

Opportunities also continue to be created in the online and digital media space. As the industry continues to increase its investment in new media technologies, so too comes a demand for resources to effectively managing that investment. Over the next few years all the players in this industry face the challenge of defining what the future of their business will be – and with it the challenge of building finance teams capable of helping them navigate and achieve their vision.

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Supply Drivers

The “Grass is Greener” Syndrome

As employer confidence begins to return to the market, with a corresponding increase in job opportunities – so too does the level of confidence felt by employees. Over the past few years the focus on many has been job retention and stability, but the tide appears to be turning. For employees who have suffered reductions in expected pay increases, were disappointed by a trend toward frugality at bonus time, or found their careers otherwise stagnating during the recent difficult economic period, conditions are starting to appear more favourable.

As a result of this, we are experiencing a significant increase in passive job seeker interest, ie; candidates who currently have positions, but are looking for information about what other opportunities might be out there for them. Interest is being expressed across all levels, from candidates with only a few years experience all the way up to industry veterans with substantial market value.

Fishing in a Small Pond

Having just undergone a lengthy period where the supply of candidates outweighed demand in the accounting industry, some employers may have forgotten just how quickly the situation can change. With an economy approaching almost full employment, and a historical lack of qualified accounting and finance professionals, even a small amount of organic growth can be enough to create a situation in which competition for candidates can become fierce.

Already we are seeing this at the top pedigree, with candidates who are able to put forward an attractive proposition to employers receiving significant interest from the market. As the amount of available talent in the candidate pool diminishes, we can expect competition amongst employers for top talent to heat up, leading to situations where candidates are receiving multiple offers for their services, and pressure on salaries goes up.

Overseas Supply Factors

Driven in part by changes to the Highly Skilled Migrant Visa program, along with some turbulent economic conditions in the UK financial markets, we have witnessed a number of ex-pats returning from the UK to take advantage of the comparatively robust local conditions.

In addition to an increase in returning Australians, we have also seen a tendency from contractors from the UK to extend the duration of their expected working holidays. With poor conditions in a number of key markets, many contractors are making the decision to stay in Australia for another 6-12 months, providing businesses and recruiters alike with a small but talented pool of resources to help meet seasonal demand.

It should also be mentioned that the continued strength of the Australian dollar remains a key factor in the attractiveness of our employment market. For years Australia has offered beautiful weather and fantastic lifestyle to prospective overseas candidates – now we offer great value as well.

Future Trends

Retention and Employer Brand Propositions

With improving market conditions, and a large number of employees who have remained stagnant in the one role over the last few difficult years, the challenge companies will face when it comes to retention over the next 6-12 months will be enormous. Companies that had to make tough decisions over the last years, or who asked their staff to commit to long hours without relative increases to remuneration will be particularly vulnerable.

Already we are seeing companies put renewed resources into creating a compelling proposition for their staff (both current and potential). Companies who are able to articulate a clear market vision, offer competitive salary levels, provide steady leadership and encourage career development and cross training will be well placed going forward.

In addition to this, we are starting to see numerous examples of companies willing to think outside the box when it comes to improving their brand integrity, and the attractiveness of their employer proposition. Some have offered their employees on-site gym access, subsidised purchases through company created schemes, or discounts on insurance, products, or plans. Others have taken a more flexible approach to work/life balance, or enhancing their social responsibility programs to include community projects and volunteer days.

Plenty of employers may scoff at these kinds of incentives, but others are beginning to believe that it could be very smart. When it comes to ensuring their investments in the training and development of their staff remain within the business, these things can be a vital retention tool.

Employers Shouldn't Procrastinate

With increased competition for top tier candidates already underway, companies will be faced with increased upward pressure on salaries. Financial flexibility will be important – but what will be just as important in most cases will be the speed with which a company can make a hiring decision.

In periods of heightened caution from employers, there is a natural tendency for the interview, offer and orientation process to slow down. As the market conditions change however, the delays caused by extra layers of decision making, or an inability to quickly achieve sign off on a decision will end in the loss of potential key talent. This is a critical time for employers to examine their recruitment processes, both internally and externally.

In the end, brand integrity, financial flexibility and streamlined recruitment processes are the keys to winning the war for talent. As always, having a trusted recruitment adviser who is completely immersed in the market remains your greatest ally.

Recruitment Trends

In some cases, the changing nature of the employment market has already resulted in significant alterations to the way HR departments are approaching the recruitment process. Some companies have looked to expand the resources of their HR team significantly, giving the individual departments greater control over candidate screening and selection.

At the entry point of the market this strategy can prove very effective for certain businesses, allowing them to reduce processing times and reduce external cost. At the more senior levels, where the demands of the job can be very specific and the skill-sets required highly technical, this strategy can prove dangerous. No internal HR department can ever devote the resources to a specific field that a specialist recruitment provider can, and in these scenarios the value of working with a trusted adviser again becomes readily apparent.

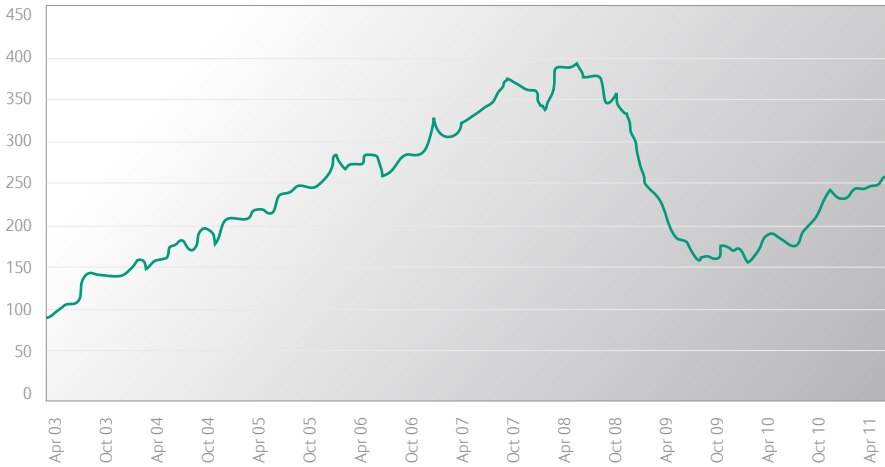
To stay at the forefront of developments in the industry, recruiters have to rapidly master advances in technology, whilst finding ways to develop increasingly sophisticated networking arrangements. As the employment market changes – so do the tools and skills required to find the best talent available.

At every level this is a period of great challenge and significant opportunity - it's an exciting time to be in the business!

“ *the changing nature of the employment market has already resulted in significant alterations to the way HR departments are approaching the recruitment process.* ”

Ambition Accounting Jobs Index

Accounting Jobs Index - Seasonally Adjusted



Notes on the Ambition Accounting Jobs Index

The Ambition Accounting Jobs Index continues to tell the story of the Accounting employment market and its activity trends - from the heady days of 2007 where the index reached 400, to the downturn in 2008/2009 where the market fell off dramatically.

In 2010 we see the pattern begin to change, trending upwards after a period of stagnation. In the first half of 2011 we can see that trend continue, with month on month improvement culminating in the index reaching 250 for the first time in several years.

This trend paints an optimistic picture for the year ahead, and reflects accurately the feedback we are getting from the market itself. Conditions are improving, confidence is increasing, and employment activity is on the way back up.

About Ambition

Ambition Finance

Ambition Finance specialises in the recruitment of permanent and contract Accounting, Banking and Financial Professionals. With offices in Sydney, Parramatta, Melbourne and Brisbane we advise and recruit newly qualified Accountants through to CFO level.



With our knowledge, networks and expertise we have access to both active and passive candidates and exciting career opportunities with leading Blue Chip firms.

Gavin Houchell

Managing Director – Ambition Finance & Accounting

gavin.houchell@ambition.com.au

More Information

For answers to your questions on market trends, salaries, retrenchments or grading please feel free to contact Ambition with the contact information listed on the back page or visit www.ambition.com.au

Talent Services Team

The Talent Services Practice within Ambition Finance consists of a team of dedicated 'Talent Consultants' that are based across Australia. Providing specialist advice and assistance to finance professionals, our objective is to partner with you to "Build Better Futures" to ensure you have the necessary skills, knowledge and networks to achieve your future aspirations.

We manage and tailor our offering to a number of specialist network groups and offer:

- Career planning, appraisal support and interview guidance
- Networking events and talent development workshops
- Market newsletters, key trends and salary reports
- Key industry and client information
- Exposure to specialist recruitment Consultants

Specialist network groups include: 1st movers CA's, International Qualified Accountants, Audit, Risk & Compliance, Product Controllers, Fund Accountants, Banking and Operations, and more.

For more information on joining one of our specialist network groups and broader services offered by the Talent Services team contact Emma Collins – Manager, Talent Services on (02) 9249 5062 or emma.collins@ambition.com.au

Other Services

Ambition Technology

Ambition Technology, based in Sydney, Melbourne and Brisbane, is structured to mirror the IT departments of its National portfolio of clients, with three dedicated teams of consultants focusing on Applications, Business Information and Infrastructure.

When you need a resource we have the greatest exposure to the best available candidates in the market.



We are actively involved in the Technology market, we know what's happening, where and with whom. You receive information to allow you to stay competitive and ahead of the curve.

*Andrew Cross
Managing Director – Ambition Technology
andrew.cross@ambition.com.au*

AccountAbility

AccountAbility is Australia's only specialist company which purely recruits in the accounting support sector.

We have established a network of thoroughly screened, skilled and experienced candidates within the accounting support sector that are immediately available to satisfy our clients requirements. Quality aligned with speed of service is at the core of what AccountAbility can offer and we fill 80% of temp roles over the phone and 90% of our perm roles within 6 - 8 working days.



We have a business and a brand which talks specifically to our target market; understands what drives candidates in support roles to change job and most importantly how they like to be treated.

*Ruairi Flynn
Managing Director – AccountAbility
ruairi.flynn@accountability.com.au*

ambition

Sydney

Lvl. 5, 55 Clarence St, Sydney NSW 2000

T:+61 2 9249 5000

Melbourne

Lvl 36, 140 William St, Melbourne VIC 3000

T:+61 3 8629 1000

Parramatta

Lvl 4, 3 Horwood Place, Parramatta NSW 2150

T:+61 2 9633 7300

Brisbane

Lvl 7, 410 Queen St, Brisbane QLD 4000

T:+61 7 3009 6100

www.ambition.com.au

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