

PERCEPTOR

**MARKET TRENDS
& SALARY REVIEW**

**FINANCE, ACCOUNTING
& COMMERCIAL**

2017 → 2018

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WELCOME TO THE PERCEPTOR MARKET TRENDS & SALARY REVIEW 2017/2018

When we reached our 18th birthday in May, it caused me to reflect on how the employment market for senior finance professionals has changed. The first half of Perceptor's existence was pre-Global Financial Crisis (GFC) and was marked by positive sentiment and employment growth. Post-GFC, the business world has changed dramatically and the number of risks seem to be constantly increasing. A lack of predictability has caused many finance professionals to panic and operate in a reactive manner with a short-term focus, relating to both hiring talent for their teams and making their own career decisions.

In my view, the opposite approach should be taken in times of uncertainty. A measured, long-term view will inevitably result in better decisions. We are increasingly partnering with candidates and clients who value our counsel in a considered way as part of a long-term professional relationship.

Many aspects of business are being commoditised and systemised but applying this approach to employees, customers and suppliers is short-sighted and counter-productive. We sit firmly in the camp of developing long-term, mutually rewarding business relationships founded on trust and mutual respect with high-calibre finance professionals. Although we are leveraging technology to give us greater market reach and access to top talent, we won't be commoditising or systemising our personalised service any time soon!

I trust you will enjoy reading the following pages and encourage you to contact me if you have any questions.



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MARKET TRENDS & OBSERVATIONS

BROADENING OF STRUCTURAL CHANGE

This year has seen a broadening of the structural change implemented by large companies over the last few years. New technology, overseas competition, industry disruptors and government regulatory and policy changes have spread the 'transformation agenda' to most sectors. The health and education sectors are undergoing significant corporatisation with private capital chasing investment opportunities in these sectors.

The Not for Profit sector is also importing finance professionals from the corporate sector to implement more sophisticated financial management and corporate governance. State government departments continue on their multi-year transformation journey and are still attracting high-calibre finance talent from the major corporates. The privatisation of NSW electricity businesses will also lead to the implementation of corporate disciplines and the injection of top finance talent.

GOVERNMENT & REGULATORY UNCERTAINTIES

A number of recent government policy changes have had a negative impact on the corporate sector; for example, the bank levy and changes to the 457 work visa. These will each have substantial implications for a large number of companies and are seen by many as a precursor to further changes driven by political point-scoring rather than any practical economic imperatives.

The implications of the visa changes are yet to be fully understood but initial indications are that the ability to attract specialist talent in certain sectors for key roles will be severely constrained. Shutting the door on top global talent seems incredibly short-sighted and insular.

All this uncertainty is the last thing business needs as it builds the confidence to invest in growth in a cautious environment.

INCREASING DEMAND AT MID-LEVELS

The mid-level market has continued to tighten with strong demand increasing and a subsequent shortage of quality candidates. This has led to some candidates receiving several offers within a short time period and the speed of the hiring process increasing. The demand is partially a function of candidates moving roles more regularly, increasing the churn rate, and of new roles being created to bolster lean finance teams that are overstretched. The momentum is likely to continue through this year and will put more upward pressure on salaries.

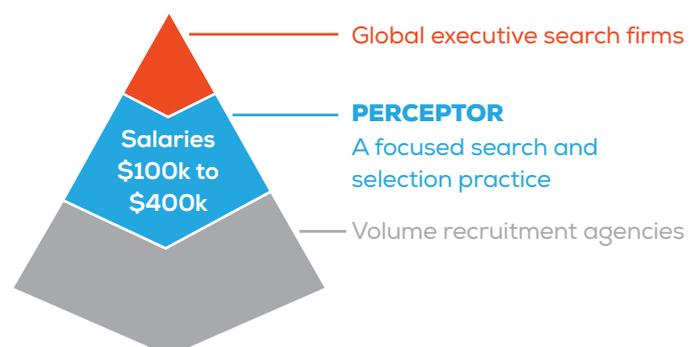


OUTLOOK

We are still of the view that the market is reasonably good for mid to senior Finance, Accounting and Commercial roles. After so many years of cost-cutting, most corporates are lean and focused, recognising the need to offer their own people internal opportunities to develop, as well as seeing the value in bringing in outside talent on a regular basis; people who can add value and bring in fresh thinking and particular skills. While the number of analytical and business partnering roles continues to increase, their sophistication must also develop, and candidates who really understand business operations and can provide commercial insights based on their analytical skills, will continue to be in demand.

We are also seeing more financial roles with a project component or even a full change mandate. These roles contain a higher degree of complexity but also offer candidates the opportunity to make an impact on an organisation and further develop their project skills, which, as we have mentioned before, is the new normal in an increasingly fluid business environment.

PERCEPTOR MARKET POSITIONING



MARKET COMMENTARY & SALARIES

Over the last 12 months, the senior finance market has shown consistent and positive levels of activity, although the supply of senior candidates has almost certainly grown as well, making it the most competitive segment.

Cautious hiring sentiment has resulted in most candidates moving sideways to a similar role in the open market or choosing to slowly climb the corporate ladder internally. Specific criteria such as sector experience are reducing the options for applicants in a competitive environment but quality candidates are still able to review a range of good roles over a period of time.

Not surprisingly, there has been a flow of individuals moving into the higher growth areas such as healthcare, education, government and not-for-profit which are generally more flexible on candidates' industry sector experience. There have also been many opportunities in mid-size companies that are expanding and upgrading their Finance function and level of governance.



For CFO candidates, mid-size companies are attractive after a career spent in large multinationals or ASX100 corporates as they offer more autonomy and broader mandates, as well as the opportunity to implement change. The growth opportunities are a positive switch after many years being focused on cost management in large companies. For more entrepreneurially-minded CFOs, this is an interesting time to get involved with smaller companies.

We do not believe salaries have moved in the last year and, in fact, listed companies have recently been reducing overall salary packages for senior roles when replacing them. Nevertheless, total rewards are still significant over time in successful organisations with an upside gained through short-and long-term incentive schemes.

Large Corporate (\$,000)

(ASX100 OR MAJOR MULTINATIONAL) SYDNEY & MELBOURNE

Group CFO	\$700 - \$900
Div CFO / Dep CFO	\$350 - \$550
GM Finance	\$300 - \$400
Group Financial Controller	\$250 - \$330
Group Treasurer	\$240 - \$320+
GM Tax	\$220 - \$300+
Chief Risk Officer / Head of Internal Audit	\$220 - \$300+

Medium Size Corporate (\$,000)

CFO	\$300 - \$400
GM Finance / Group FC	\$220 - \$300

The figures stated show total package including cash, superannuation and benefits. Discretionary components such as bonus and options are excluded. Bonus components tend to range from 50 - 100% of total package, with senior executives on the higher end.

Recent Assignments Completed

CFO Private Service Group

GM Finance ASX Healthcare

Financial Controller ASX Energy Business

CFO Not For Profit Services

Financial Controller PE-Backed Services Business

GM Finance Multinational Media Group

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COMMERCIAL FINANCE & STRATEGY

The Commercial Finance market has remained consistently busy over the last 12 months with a continued demand for analytical candidates who have business partnering capabilities.

Talent at the analyst level is in short supply, particularly for candidates possessing a combination of data analysis, interpretation and strong communication skills. We have seen clients be more flexible in their expectations when it comes to industry knowledge as their focus has been on finding individuals with the right behavioral traits to build relationships with and influence non-financial stakeholders.

At the mid to senior level, the conditions are different due to there being less roles and the amount of restructuring and transformation happening across the major corporates. Companies have looked at cutting head-count at the General Manager level and also merging divisions in a bid to save costs through removing duplication.

The knock-on effect of this is that middle managers, particularly in Commercial, do not have internal development opportunities so they will seek a move laterally or externally to get a foot in the door of a business where they can see a brighter future. Despite this consolidation, the breadth and expectation of Commercial Finance roles is increasing so the need to put the highest calibre candidates in those roles is more important than ever.

The duties of a Commercial Manager do tend to vary depending on the company, ranging from Financial Planning and Analysis to true business partnering roles where the candidate is expected to drive profitability and cost reduction initiatives. Clients will look for this when reviewing resumes so candidates must show a demonstrated history of achievement with practical examples of where they have saved or made their company money.

Salaries have increased by 2 – 4% at mid-levels contrasting with 5 - 7% increases at the analyst level.

Commercial Finance & Strategy (\$,000)

SYDNEY & MELBOURNE

Senior Commercial Manager	\$185 - \$250
Planning Manager	\$175 - \$220
Corporate Development Manager	\$170 - \$270
Project Manager	\$150 - \$200
Strategy Manager	\$150 - \$190
Commercial Manager	\$140 - \$180
Corporate Finance Analyst	\$130 - \$165
Planning / Commercial Analyst	\$110 - \$165
Financial Analyst (5 years +)	\$110 - \$140

The figures stated show total package including cash, superannuation and benefits. Discretionary components such as bonus and options are excluded. Bonus components tend to range from 10 - 40% of total package, with senior executives on the higher end.

Recent Assignments Completed

Senior Commercial Manager Infrastructure

Commercial Manager Manufacturing – FMCG

Senior Analyst Supply Chain – FMCG

Commercial Manager Transport & Logistics

Senior Strategy & Planning Analyst ASX Top 20

Planning & Analysis Manager Technology Group

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GROUP REPORTING, RISK & COMPLIANCE, TAX & TREASURY

We have seen another year of strong demand for Group Reporting, Technical Accounting and Compliance professionals at all levels. Big Four trained first or second movers are the most sought after candidates in the market. With many seeking to move away from purely technical roles, this area is becoming more niche and there is a shortage of these highly desired individuals. We are also still experiencing the knock-on effect of the Big Four's reduced intake over the last few years.

Candidates who are able to display the ability to engage with all levels of stakeholders and communicate effectively whilst offering a sound technical skillset and academic record typically can generate multiple offers at any one time. Therefore businesses need to provide attractive salary packages and clear career development and progression opportunities to attract top talent in such a competitive market.

Many large ASX and multinationals have restructured several times since the GFC, constantly looking for cost saving measures and downsizing opportunities. Restructures which include off-shoring, system implementation and upgrades are typically happening every 18 to 24 months within large corporates in order for these companies to remain agile and adapt to fluid market conditions. This has brought the Internal Audit, Risk and Governance functions into the spotlight, creating new roles with a company-wide focus and increasing responsibility.

While Tax and Treasury teams are typically smaller and more specialised functions within large ASX and multinational corporates, there has still been a consistent demand for these skill sets, particularly at mid-levels where there is always an element of natural churn.

Head of Tax and Treasury positions have generally been filled by internal promotions rather than reaching out to the external market.

Salaries in this area have increased at junior levels by around 5% due to the shortage of supply but mid to senior level roles have seen only small salary increases of 1 – 4%, consistent with previous years.

Group Reporting, Risk & Compliance, Tax & Treasury (\$,000)

SYDNEY & MELBOURNE

Financial Controller / Manager	\$170 - \$240
Compliance & Controls Manager	\$155 - \$185
Tax Manager	\$150 - \$200
Internal / IT Audit Manager	\$150 - \$190
Treasury Manager	\$140 - \$220
Corporate Reporting Manager	\$140 - \$180
Management Accounting Manager	\$140 - \$170
Financial Accounting Manager	\$130 - \$160
Senior Tax Accountant (5 years +)	\$120 - \$150
Senior Management Accountant	\$120 - \$145
Group / Corporate Accountant	\$120 - \$140
Group Treasury Accountant	\$110 - \$140
Senior Finance Accountant	\$110 - \$130
Risk Analyst	\$100 - \$130
Management Accountant	\$90 - \$120
Financial Accountant	\$90 - \$110

The figures stated show total package including cash, superannuation and benefits. Discretionary components such as bonus and options are excluded. Bonus components tend to range from 10 - 40% of total package, with senior executives on the higher end.

Recent Assignments Completed

Group Financial Controller High-Profile Media Group

Treasury Operations Manager Large Utilities Business

Corporate Reporting Managers ASX Retailers

Risk Manager Infrastructure & Services

Senior Analyst – Internal Audit Large Telco

Head Of External Reporting Top 20 ASX Consumer

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INTERIM & CONTRACTING

The fluid business environment and increasing competitive pressures have broadened the 'transformation agenda' for most companies, driving growth in demand for interim and contract resources. With the pace of change increasing, we expect demand for contractors to grow in the next 12 months. At junior to mid-levels, the strong permanent market is reducing the flow of candidates available which is causing some frustration. The risk of a contractor leaving their role before finishing the agreed contract period is getting higher, so we are advising clients to have the hard discussions prior to signing contractors up in order to get their commitment and understand their motivations. This is less of an issue for senior candidates as they are more mature and their market for permanent roles is slower-moving.

Overall, rates have been steady and are showing signs of starting to rise for specialist roles where the candidate supply is tightening.

Recent Assignments Completed

Financial Controller PE-Backed Healthcare

Financial Reporting Managers Infrastructure Group

Senior Financial Analyst ASX Infrastructure

Transformation Project Manager Telecommunications Group

Commercial Managers Multinational Industrial



MORE NUMBERS

100%

of finance roles have a project component



2-4%

is the average salary increase this year

4-7

years

is the average tenure of a CFO

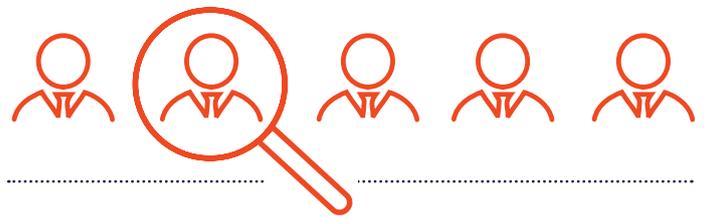


457

is the abolished employment visa which brought great talent, knowledge and skills to Australia over many years

KEY SKILLS
IN DEMAND FOR

**2017/
2018**



**TRANSFORMATION AND
CHANGE MANAGEMENT**

**STRATEGIC PLANNING
AND PROBLEM SOLVING**

RESILIENCE & COMMITMENT

**COMMUNICATION AND
EMOTIONAL INTELLIGENCE**

**ANALYTICAL INSIGHT
AND INTERPRETATION**

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