

PERCEPTOR

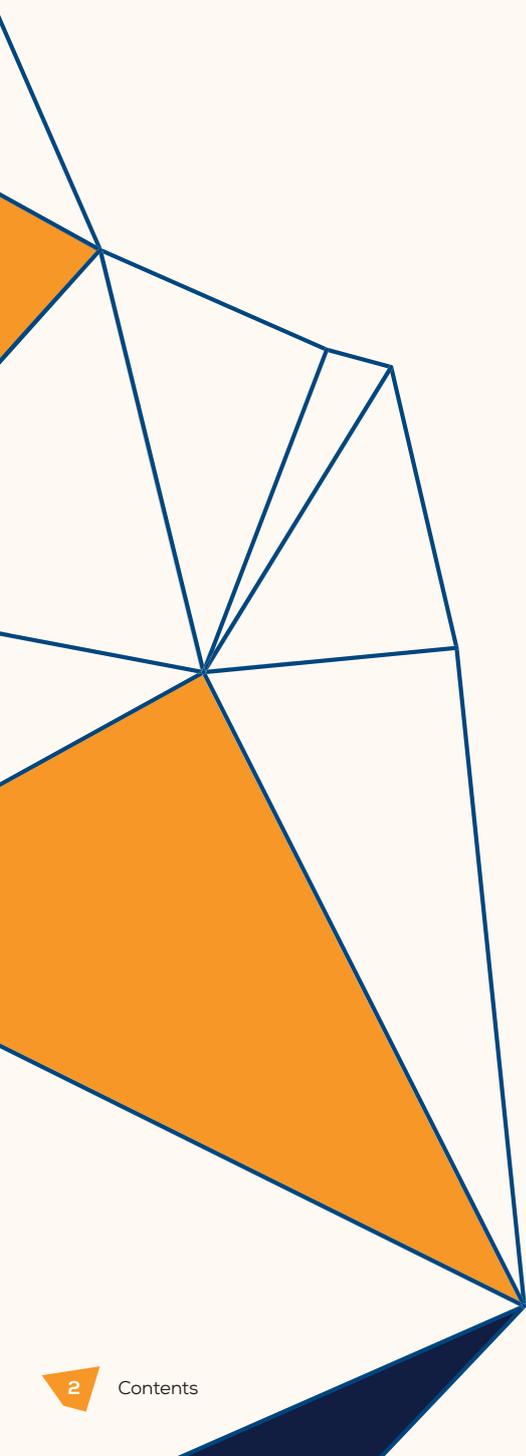


**MARKET TRENDS
& SALARY REVIEW**

**FINANCE, ACCOUNTING
& COMMERCIAL**

2018 | 2019

perceptor.com.au



Welcome	3
Market Trends & Observations	4
The Senior Finance Market	6
Commercial Finance & Strategy	8
Financial Reporting, Risk & Compliance, Tax & Treasury	10
Interim & Contracting	12
More Numbers	13
Key Skills in Demand for 2018/2019	14

WELCOME TO THE PERCEPTOR MARKET TRENDS & SALARY REVIEW 2018 | 2019

Looking back on the last twelve months, it has been a positive and successful year for Perceptor with substantial movement across the Finance, Accounting & Commercial markets. This was driven by benign economic conditions leading to improved business confidence and also the challenges of structural change in some industries, creating the need to restructure finance teams to support an updated business model.

This environment of change has created an unusual mix of confidence and caution which is likely to remain in the year ahead, highlighting how fragmented the business market really is and reminding us how difficult it is to generalise. Infrastructure and property companies are still growing, retailers are concerned about online competitors, media companies are restructuring, consumer goods companies are getting squeezed, the financial services sector is facing substantial regulatory changes and professional services firms are growing again.

Whichever sector you work in, the year ahead will offer more changes and surprises as well as outstanding career opportunities for those who understand the bigger picture and proactively manage their careers.

We look forward to working with you to create success for you and your business in the year ahead.



Ian McAlpine | Managing Director
Finance | Accounting | Commercial
P | 02 9227 7702
E | ian@perceptor.com.au
perceptor.com.au

MARKET TRENDS & OBSERVATIONS

TECHNOLOGY IS THE MAIN DRIVER OF CHANGE

The speed of technological change is accelerating and has become global. New IT companies are springing up every day and offering employment opportunities as they grow. Mid-size, nimble companies are leveraging new technology to take on large companies or create new markets. Large companies are able to invest substantially in new technologies to defend and grow their markets but things can change quickly and they need to respond to new technologies that become available.

FINANCE TEAMS ARE BECOMING MORE FOCUSED AND EFFICIENT

New accounting systems and reporting tools are enabling finance functions to provide far more complex information in a shorter timeframe. Data analytics teams are growing quickly to properly harness these powerful technologies however the real value comes in interpreting the numbers and that requires experience in understanding a business. Robotics products are leading to greater automation of mundane processing tasks and lowering costs.

PRACTICAL SKILLS AND EXPERIENCE ARE MORE IMPORTANT THAN QUALIFICATIONS

It used to be that an MBA or Masters of Applied Finance would give candidates an advantage in the market but now the focus is more on the mix of skills and experience they can offer, as well as their ability to communicate and influence effectively. Most large corporates offer on-going inhouse training so education is still important but practical experience of succeeding in different roles in varied sectors have more value in today's more fluid business environment. The young achievers would be well-advised to gain some experience of project work and learn about data analytics if they want to set themselves apart.

WORKPLACE FLEXIBILITY

There seems to have been an increased focus by corporates to offer more workplace flexibility to employees this year. This is probably driven by a tightening market for talent and also by increased property rental costs, particularly in prime locations. As new technology enables all employees to communicate easily and cheaply irrespective of location, this flexibility is a practical change which can benefit everyone as long as agreed parameters are in place. As the expectations of finance teams increase, and as cost pressures remain, individual productivity can often be greater outside the distractions and demands of the office environment.

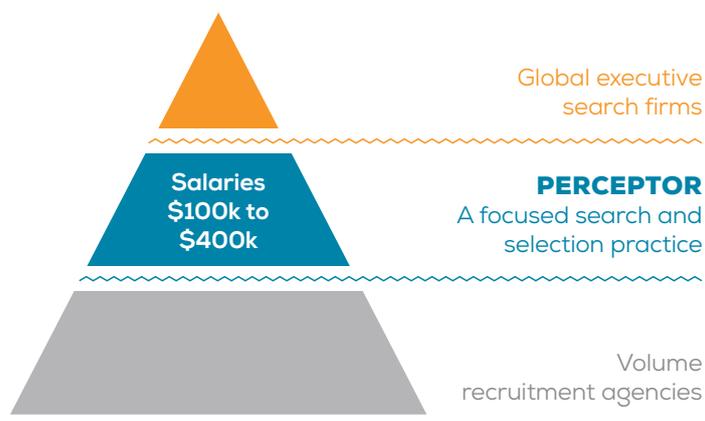
FINANCE SALARIES ARE STABLE

Most companies are offering only CPI increases to finance teams as cost pressures are strong. There is not yet enough of a shortage in the market to push up salaries but this could change over the next few years. By contrast, bonuses are generally being paid out at target amounts as most corporates have reached their performance thresholds for the year.



OUTLOOK FOR THE YEAR AHEAD

We anticipate the main drivers of activity this year will continue though it is likely merger & acquisition activity will increase, driven by market consolidation and the low cost of debt. Private equity firms have substantial firepower to deploy and will be active this year though mainly in the mid-size company market. There is unlikely to be salary inflation but strong business performance should continue and therefore the financial upside is really gained through earning a bonus or long-term incentive payments or alternatively progression. Of course, vertical progression through ever more senior roles is difficult in the flatter corporate structures we see today, so progression sideways into different functions or roles or projects is more likely. Overall, we anticipate the paradoxical climate of confidence and caution to continue, but there will certainly be substantial movement in Finance, Accounting & Commercial teams, driven by natural churn, growth and restructuring.



MARKET COMMENTARY & SALARIES

THE SENIOR FINANCE MARKET

STABLE MARKET

Despite the overall market for Finance, Accounting and Commercial professionals being active, the senior market has remained surprisingly stable. With everything around them changing, finance leaders have hunkered down and enjoyed the opportunity to bring order to the chaos!



EVOLUTION OF THE CFO ROLE

The CFO role has continued to evolve and broaden as the demands and expectations of the finance function increase. In addition to taking on more onerous governance and compliance responsibilities, the CFO is tasked with providing greater analytical insights for business decisions, leveraging technology and commercial acumen to achieve this. Many CFOs have other functions added to their portfolio, including procurement, IT, legal and corporate services. This broader mandate has given CFOs the learning opportunities to keep them in place for longer and thereby created a degree of stability in these roles.

INTERIM AND CONTRACT ROLES

It has certainly been a frustrating market for these individuals looking to make a move as the opportunities have been limited and the criteria very specific. Many senior candidates have taken on contract roles to broaden their experience while waiting for a suitable permanent role to come along. With an increase in project work in most organisations, the option to bring in an experienced and relatively autonomous senior resource is very attractive to companies going through change.

CHALLENGE OF SUCCESSION PLANNING

The stability of the CFO market has created a problem for succession planning strategies in many companies as the senior finance team are finding opportunities to move internally are very limited. Consequently, they are keeping their options open to make an external move to undertake a new challenge in a different organisation, even if the move is lateral. They want to keep learning and building their credentials to enable a move to a number one finance role at some point in the future.

SALARY CHANGES

Other than some major listed companies, salaries at the CFO/GM Finance level have not changed in the last year and salary increases this year are restrained, driven by cost pressures and low inflation. Short-term incentive payments have been strong, close to target bonus for the majority of senior finance professionals. Long-term incentives have also been strong, as profit growth has been relatively good over the last few years and share prices have risen accordingly. This has contributed to the CFO stability mentioned above. These trends are likely to continue this year.

Recent Assignments Completed

CFO Large Services Organisation

GM Finance PE Backed Infrastructure Business

Head of FP&A Multinational Media Group

Senior Commercial Manager Major Listed Retailer

Group Financial Controller PE Backed Healthcare

Head of Tax Major Aged Care Provider

Large Corporate (\$,000) (ASX100 OR MAJOR MULTINATIONAL)

Group CFO	700 - 900
Div CFO / Dep CFO	350 - 550
GM Finance	270 - 350
Group Financial Controller	270 - 330
Group Treasurer	240 - 320+
GM Tax	220 - 300+
Chief Risk Officer / Head of Internal Audit	220 - 300+

Medium Sized Corporate (\$,000)

CFO	300 - 400
GM Finance / Group FC	200 - 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.

**FOR MORE INFORMATION ON THIS MARKET
PLEASE CONTACT:**

IAN MCALPINE

P: 02 9227 7702

E: ian@perceptor.com.au

COMMERCIAL FINANCE & STRATEGY

NEW ROLES CONTINUE TO BE CREATED

Within the overall trends of tight cash management and steady headcount in finance teams, we have noticed the continued evolution of divisional finance roles becoming more analytical and integral to business decision-making. In many cases, new roles are created to replace existing divisional finance roles with a completely different skillset and mandate. In addition, as companies grow and change, they recognise the importance of aligning analytical and commercial roles with specific functions such as supply chain or sales.

THE IMPORTANCE OF JUDGEMENT

The greatest value in commercial finance roles is created when an experienced and insightful individual is able to collate, dissect and assess the relevant financial information and arrive at an opinion to assist the General Managers to make key business decisions i.e. exercising judgement. Good judgement separates the top talent from the rest and usually puts them on a promotional path through the finance ranks or into business management.

ANALYST LEVEL EXTREMELY STRONG

The ambitious young analysts are benefiting from strong demand across most sectors as the focus on providing increased data and insights to the business intensifies. In an effort to retain top analytical talent, some companies are adding responsibilities and upgrading job titles rather than promoting people to a more senior role. This enables candidates to feel they are progressing every eighteen months without needing to move to a completely different role and taking time to add value.

FINANCIAL PLANNING & ANALYSIS vs BUSINESS PARTNERING

Clients have sought candidates with more than just FP&A skills, especially in divisional roles, as there is greater demand from the business for finance to be more of a value-add than simply a reporting function. They are looking for candidates who can influence stakeholders to make an impact on the bottom line.

SPECIALIST AND GENERALIST

Typically, clients have more focus on personality traits and core technical knowledge at the analyst level with a focus on calibre and an ability to learn. As there has been limited movement at the GM level, the Senior Commercial Manager level candidates have had to look externally for career advancement. They have been making lateral moves to get into companies where they can see growth or opportunity. The knock-on effect means when clients are going to market, they tend to have the objective to hire specialist knowledge of products or functions.

SALARY CHANGES

Salaries have mostly kept in line with inflation. Senior commercial candidates have been more flexible around salaries, taking a longer-term view and focussing on the company and opportunity rather than the dollars. Competition for top talent has pushed up salaries at the lower levels and this trend will continue.

Recent Assignments Completed

Commercial Finance Manager Listed Education Provider

FP&A Manager ASX Listed Industrial

Commercial Manager Multinational Travel & Tourism Operator

Senior Commercial Strategy Manager Multinational Medical Devices Business

Commercial Manager - Sales Global Pharmaceutical Group

Senior Analyst Multinational FMCG

Commercial Manager - Marketing Listed Retail Company

Commercial Finance & Strategy (\$,000)

Senior Commercial Manager	185 - 250
Financial Planning & Analysis Manager	175 - 250
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	120 - 150
Financial Analyst (5 years +)	120 - 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 roles at the higher level.

FOR MORE INFORMATION ON THIS MARKET PLEASE CONTACT:

DUNCAN MCNEILL

P: 02 9227 7706

E: duncan@perceptor.com.au

FINANCIAL REPORTING, RISK & COMPLIANCE, TAX & TREASURY

STRONG MARKET CONDITIONS

The last year has shown an increase in demand in the more technical and specialised roles within Finance, a continuation of the increase in demand over the last few years and this has led to a substantial supply shortage. At all levels of the market, from the newly-qualified to the Head of Reporting, demand has been driven by new accounting standards and an increased focus on governance and compliance.

COMBINATION OF STRONG TECHNICAL AND COMMUNICATION SKILLS REQUIRED

Whilst a strong technical accounting background is an important pre-requisite for these roles, they are becoming more high-profile and interconnected roles within a business and therefore require strong communication and stakeholder engagement skills. The ability to interpret and take a position on technical standards requires not only good knowledge of rules and regulations but also the judgement to interpret their practical impact on the financial statements and articulate this in a clear and professional manner.

BIG FOUR TRAINING AND AUDIT EXPERIENCE IN HIGH DEMAND

The quality of the CA training in Big Four accounting firms combined with practical audit experience is still regarded as the ideal background for more technical accounting roles as well as Risk & Compliance positions. These candidates are very marketable at all levels from newly-qualified to Senior Manager. This means that multiple offers have been available for top candidates who are ready for a move. Recent changes to accounting standards and their impact on statutory reporting have only increased the demand for these candidates.

RISK AND COMPLIANCE ROLES CONTINUE TO GROW

This specialist area has continued to grow in profile and importance as the Royal Commission unfolds and reminds corporates across all sectors how important it is to invest in a high-quality and independent risk management and compliance team. This is undoubtedly a multi-year growth area as regulations become more complex and business risks continue to grow. Again, the trend is for small, experienced and credible teams who can engage successfully internally and externally.

TAX & TREASURY MARKETS ARE STEADY

Both specialist areas of Tax & Treasury have remained steady over the last year with more movement at the mid-levels. "Head of" roles rarely change hands in large corporates with movements often related to CFO changes or ownership changes. Although these roles are critical, value-adding roles, the trend towards smaller, more high-calibre teams has continued, leveraging more sophisticated software and external consulting advice rather than increasing headcount.

SALARY CHANGES

Salaries for technical accounting roles have risen by over 5% this year due to high-demand and individuals with this skillset are progressing faster through the ranks due to the range of opportunities available. More stable areas such as Tax & Treasury roles are seeing salary increases in line with inflation i.e 2%.

Recent Assignments Completed

Financial Controller Major Listed US Multinational

Head of Tax & Reporting Large Infrastructure Business

Technical Accountant ASX Utilities Business

Senior Accountant Large Private Retailer

Compliance & Control Manager US Listed Medical Devices Business

Financial Policy and Accounting Manager Leading Infrastructure Business

Financial Accounting Manager ASX Consumer Products

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

Head of Shared Services	200 - 280
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 Financial Accountant	120 - 140
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 roles at the higher level.

FOR MORE INFORMATION ON THIS MARKET PLEASE CONTACT:

PAUL PIERUCCI

P: 02 9227 7707

E: paul@perceptor.com.au

INTERIM & CONTRACTING

OVERALL DEMAND HAS INCREASED

As we flagged in our report last year, the demand for interim and contract finance professionals has increased this year. This has been driven by the lack of spare capacity in finance teams to handle workload peaks or special projects. In addition, maternity leave roles are more common for periods of six to twelve months on average. Financial system implementations and upgrades are still prevalent and require external contractors to manage the overall project and component parts, or potentially to backfill line roles.

LIMITED SUPPLY OF CANDIDATES AT JUNIOR AND MID-LEVELS

The supply of experienced candidates at the senior end is reasonable but the more junior levels are very tight as the permanent market is so busy. This is creating a major challenge so companies are having to reposition contract roles as temporary to permanent opportunities in order to attract junior and mid-level candidates.

SALARIES

Contracting rates have remained steady at senior levels but increased slightly at junior levels, matching the permanent equivalent markets. With leaner finance teams and more projects, we expect current trends to continue this year.



Recent Interim Assignments Completed

Project Manager Finance Transformation Private Construction Group

Financial Controller PE Backed Healthcare Business

Commercial Manager Listed Education Services

Group Finance Manager Multinational IT Group

Senior Financial Accountant PE Backed Hospitality Business

Sales Finance Manager US Multinational Services

MORE NUMBERS

2-3%

is the average salary increase this year



100%

of finance professionals are open to learning a new industry sector if given the opportunity

80%

of Government and Not for Profit organisations pay no bonuses or long-term incentives



16

is the new AASB/IFRS leasing standard for corporates which is having a large impact on reported results

**KEY SKILLS
IN DEMAND FOR**

**2018/
2019**



**COMMERCIAL INSIGHTS
& JUDGEMENT**

**COST MANAGEMENT
& EFFICIENCY**

**RISK MANAGEMENT
& GOVERNANCE**

**AUTHENTIC LEADERSHIP
& SELF-AWARENESS**

**CREDIBILITY &
INFLUENCING SKILLS**

PERCEPTOR

Level 14, 9 Castlereagh Street, Sydney NSW 2000
T | 02 9227 7777

Level 27, Rialto South Tower, 525 Collins Street
Melbourne VIC 3000
T | 03 9935 2860

perceptor.com.au