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ACCOUNTING SUPPORT MARKET TRENDS 2012



AccountAbility

ACCOUNTING SUPPORT: THE TRENDS FOR 2011 TO 2012

While we wait to see what happens in Europe and America, Australia has definitely felt the impact of a declining economic market. But the good news is, Accounting Support has remained unaffected on the whole. So much so that this year, the number of candidate placements actually increased by 16%. This makes sense when you factor in how vital Payroll and Accounts Payable are to any organisation. Credit and a strong cash flow is key to any businesses' survival within a tight economic climate.

PAYROLL REMAINS BUOYANT BUT THERE'S STILL A LACK OF SKILLED CANDIDATES

Since January 2009, the number of active payroll vacancies we have worked on has increased substantially quarter on quarter.

This increase has continued through an economic downturn and its recovery because:

1. Payroll teams are usually very efficient and have little fat to trim. Many companies have only one payroll person who is vital to the overall functioning of the organisation. Payroll staff were also heavily involved in calculating and making redundancy payments for staff who had lost their positions during the GFC.
2. As the economy fights back, the skills shortage within payroll has become even more apparent. Australian positions demand knowledge of local taxes, awards and superannuation. This means payroll jobs aren't really suitable for overseas candidates. For the same reason, most companies have been reluctant to offshore their payroll activities.
3. There simply aren't enough skilled people within the sector, leading to an inflation of salaries for candidates with local experience.
4. As companies return to pre-GFC headcount, there has been a bigger demand for senior payroll staff with system implementation experience. In particular, those with strong systems experience (SAP and Oracle especially).
5. The skills shortage is so pronounced many companies are hiring inexperienced staff at a processing level and training them in-house.

We have also seen what can only be described as "the professionalisation of payroll". Candidates now see payroll as a means to build a long and sustained career as opposed to solely undertaking a processing role. There has been increase in the opportunities afforded to payroll candidates internally as they move within their accounts teams to take on more traditional finance roles.



LESSONS LEARNT FROM THE GFC

Following the GFC clients didn't react quickly enough to ensure they had both the sufficient number of people and the required quality as the market improved. As revenue and sales increased, many companies were left short staffed initially or had made poor hiring choices during the GFC – often mistaking the influx of candidates on to the market due to redundancies as meaning that the skills shortage within accounting support had diminished.

A high percentage of the roles we worked on in 2011 were replacement positions for candidates hired directly by clients as the market became flooded with quantity rather than quality. In addition high performing employees had moved on due to the high stress levels and demands placed on them in a tighter market.

GREATER DEMAND AT MANAGEMENT LEVEL

There had been little movement at management level in Accounting Support during the tight market of the late 2000's. Senior candidates were not in demand and reluctant to move from the security of their current roles. As economic conditions improved, the need for candidates at processing level grew substantially - and so the need for people at the strategic / leadership end has increased.

FACEBOOK DOMINATES LINKEDIN

While it's widely recognised that LinkedIn is the most established professional network used by clients and candidates to communicate, this has been less so for the mainstream processing roles of accounts payable, receivable, payroll, collections and bookkeeping. Employees in these fields seem less attracted to forming and joining groups on LinkedIn. These candidates seem to be more interested in social media (specifically Facebook) and joining industry specific associations such as the AICM (credit) and the Australian Payroll Association, both of which have close ties with AccountAbility.

MORE SHARED SERVICES CENTRES

The last 6 months has seen the economic climate tighten as the world reacts to the strains of the U.S. market and the on-going troubles within Europe. The overall mood is one of caution and trepidation. This lack of confidence has led to a greater consciousness of cost spending within the business world.

Yet in contrast there has been a trend this year for companies to work towards centralising their shared services functions. Despite the initial set-up costs (which include recruitment), many clients are seeing this as a long term investment as they seek to streamline set business processes. Many companies see this as a means of fast-tracking expansion through acquisition as the business is already equipped and centralised to accommodate new entities.

TEMP-TO-PERM PLACEMENTS UP 40%

Overall contract recruitment was slightly down, while permanent recruitment was slightly up in 2011. Yet this year saw a 40% surge on last year in our temp-to-perm placements. As the market continued to improve in the early months of the year, clients caught on to the importance of securing quality staff in a skills-short market. Sign-off for permanent recruitment was given the green light - and clients first looked to lock in capable contractors who understood the processes, systems and culture of their business.

As market conditions have again tightened, the level of temporary and contract employment is expected to increase. Clients will look to cover their workload in specifically busy times - without committing to permanent recruitment. Whether the number of temp-to-perm placements in 2012 matches that of 2011 will depend on market conditions.

SALARIES HAVE STABILISED OR RISEN SLIGHTLY - YET CANDIDATE DEMANDS AND CLIENT EXPECTATIONS ARE STILL ON A DIFFERENT FOOT

As you can see, payroll salaries have continued to rise (particularly at officer level) within various accounting support disciplines and locations.

Salaries within areas like credit, collections and accounts payable have stabilised. Yet there's a shortfall between what candidates are demanding and what clients are willing to offer.

Credit still remains highly skills short, so it's likely that there will need to be a slight shift in what the market is currently paying to draw people to this area. Especially if the aim is to attract quality, experienced candidates.

*Our analysis is based on the average salaries of the placements that AccountAbility has made during 2011.

ABOUT ACCOUNTABILITY

We're Australia's only accounting support recruitment specialists. Starting in 2004 with a team of two, we now have an established presence in Sydney, Parramatta, Melbourne and Brisbane. In 2011 we placed over 600 candidates into permanent roles and over 800 into contract placements.

HOW WE WORK

We listen, we respond. Working in partnership with clients means we can meet your needs. From the structure of the business to the culture of the people you look to hire, we want to hear about it. We see ourselves as an extension of your business when we represent you to your prospective candidates.

We work fast. Filling 80% of temporary roles on the first phone call and 90% of permanent roles within six to eight working days. Our internal teamwork culture enables us to maintain the service level our clients' value.

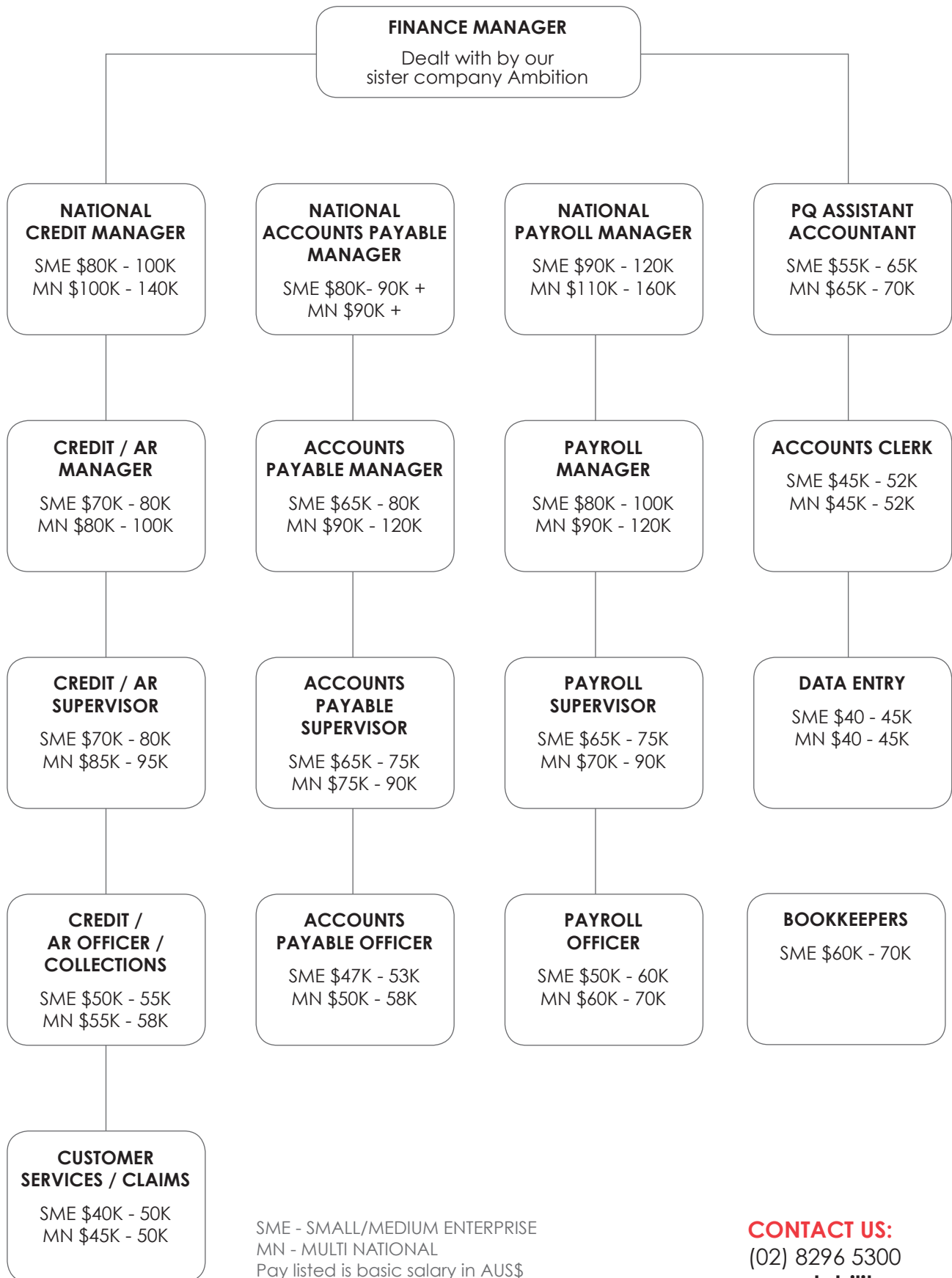
WHAT WE DO

We recruit permanent and temporary staff in Sydney, Parramatta, Melbourne and Brisbane. We cover the following functions: payroll, credit, collections, accounts payable, bookkeeping, claims/customer service from officer right through to National Management level.

We use our specialism to inform our work, understanding what drives candidates in accounting support roles to change jobs and what clients need to get people they want, quickly.



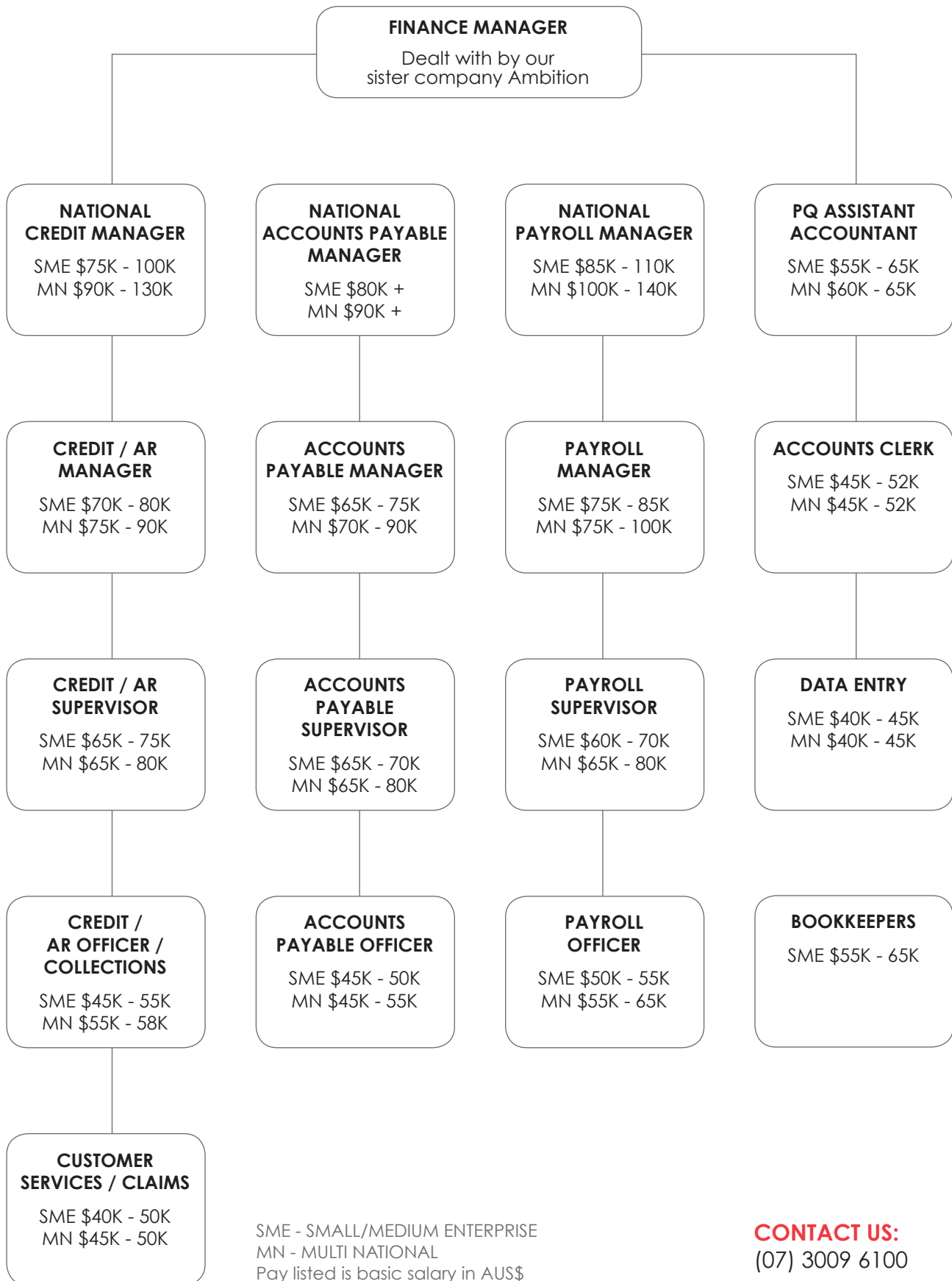
AVERAGE SALARIES COMMANDED FOR SYDNEY



SME - SMALL/MEDIUM ENTERPRISE
 MN - MULTI NATIONAL
 Pay listed is basic salary in AUS\$

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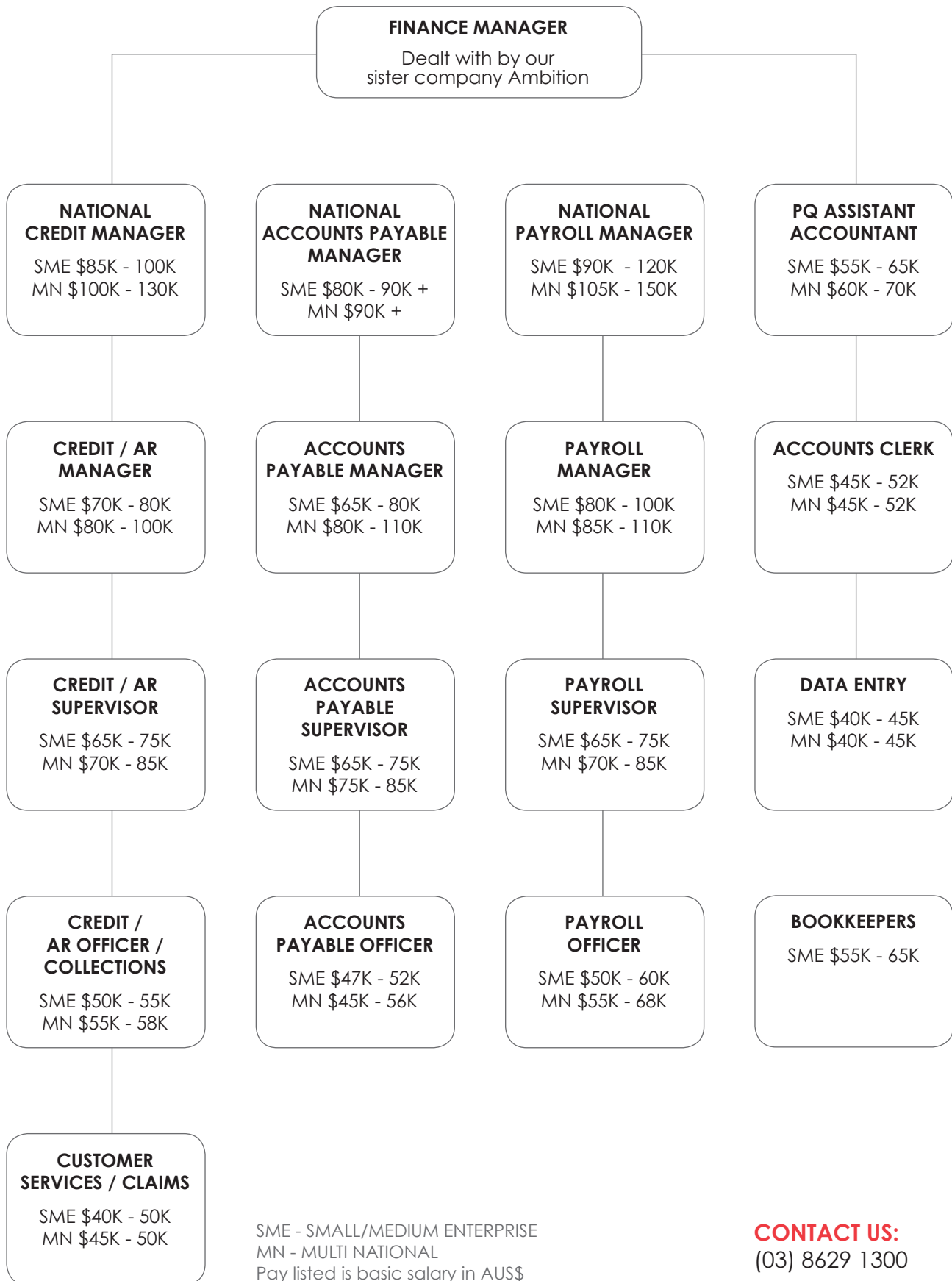
AVERAGE SALARIES COMMANDED FOR BRISBANE



SME - SMALL/MEDIUM ENTERPRISE
MN - MULTI NATIONAL
Pay listed is basic salary in AUS\$

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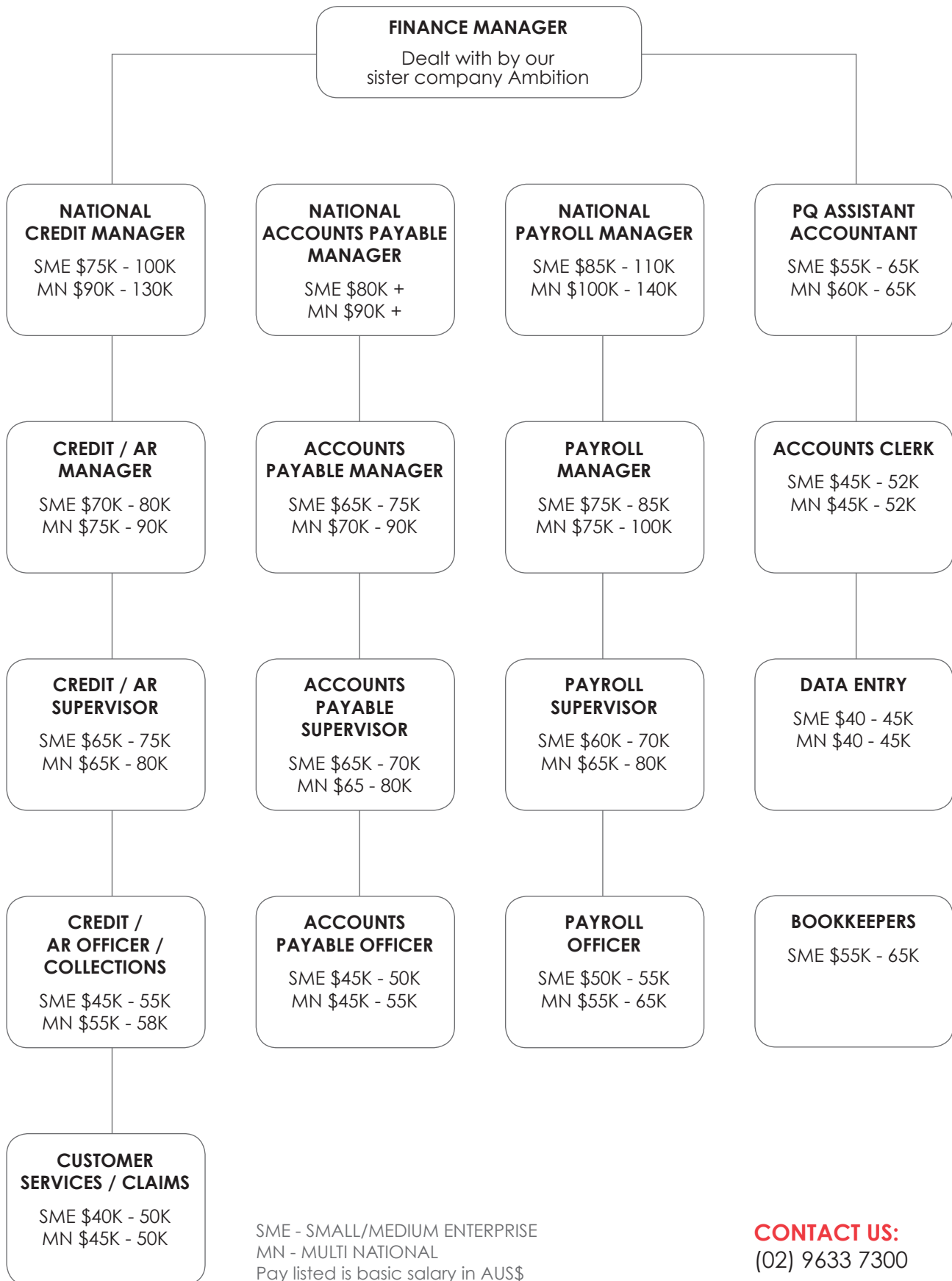
AVERAGE SALARIES COMMANDED FOR MELBOURNE



SME - SMALL/MEDIUM ENTERPRISE
MN - MULTI NATIONAL
Pay listed is basic salary in AUS\$

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AVERAGE SALARIES COMMANDED FOR WESTERN SYDNEY



SME - SMALL/MEDIUM ENTERPRISE
MN - MULTI NATIONAL
Pay listed is basic salary in AUS\$

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