

# THE LION'S SHARE



*The past 12 months have not been all doom and gloom in the Australian financial services salary stakes, with pay packets across the industry following the share market on a slow upwards climb. What perhaps will be a concern for the industry is the government reforms, with a number of firms undertaking strategic reviews and adopting a wait-and-see attitude rather than taking out the knife and slashing costs. **KATE KACHOR** reports.*

**T**welve months ago, salaries across Australia's financial services sector were frozen in time.

As the aftershocks of the global financial crisis (GFC) filtered down to Australia, paraplanner, senior financial planner, financial planner, dealer group and funds management salaries flatlined.

At the time, financial planning principals, mid-tier and large-scale dealer groups, and major financial institutions took evasive action, cutting the fat from their bottom line. Along with the fat, staff numbers, bonuses and business projects shrunk and in some places the cuts proved too deep and companies fell by the wayside.

Today, the industry is in a state of recovery, with salaries slowly thawing with a slight uptick in pay for select sectors of the industry, the 2010 IFA/Financial Recruitment Group Salary Survey for the 12 months to May found.

For paraplanners with less than three years' experience, salaries remained steady in Melbourne, Brisbane, Adelaide and Perth at \$50,000 to \$75,000, the survey found.

However, the base salary for paraplanners in Sydney dropped by \$5000 in the past 12 months from \$55,000 to \$80,000 to \$60,000 to \$80,000, while Canberra-based paraplanners experienced an increase of \$10,000 from \$40,000 to \$60,000 to \$50,000 to \$60,000.

Salaries for senior paraplanners remained unchanged from last year's survey results.

Senior financial planners and non-bank-aligned senior financial planners experienced an increase in top-end salaries this year.

For bank-aligned senior financial planners, base salaries started at \$80,000, with the high-end ranges in Sydney and Melbourne topping \$150,000, the survey found.

Salaries for the industry sector in Brisbane, Adelaide, Canberra and Perth capped out at \$10,000 lower at \$140,000.

For non-bank-aligned senior financial planners, the change to salaries was minimal. Sydney-based senior planners experienced an increase in top-end salaries of \$10,000 to \$150,000 and Melbourne-based senior planners experienced a \$20,000 rise to \$150,000.

Canberra-based non-bank senior planners experienced a slight drop in base salary, slipping from \$94,000 in 2009 to \$90,000 this year, the survey found.

For bank-based financial planners, base salaries dipped slightly across all locations, down from \$67,000 to \$65,000.

Non-bank-aligned financial planners experienced no change, with salaries remaining static across the country.

Salaries across the dealer group sector experienced little change.

General manager and state manager salaries remain unchanged at \$230,000 to \$450,000 and \$180,000 to \$250,000 respectively.

Salaries for regional practice development managers increased slightly at the top end to \$220,000 compared to last year's figure of \$200,000, the survey found.

The greatest increase for the licensee sector was in the role of practice

development manager, which shot up from \$95,000 to \$160,000 in 2009 to \$120,000 to \$170,000.

Salaries for the funds management sector experienced the biggest increase, though still minimal in relation to the rest of the survey.

General managers and heads of distribution experienced an increase in salaries at the high end of \$30,000 to \$430,000.

National key account managers experienced a \$10,000 increase at the top end from \$240,000 to \$250,000.

Salaries for state managers also increased on last year from \$150,000 to \$200,000 to \$165,000 to \$240,000.

Senior business development managers (BDM) experienced a \$10,000 rise in base salaries to \$150,000, while top-end salaries for business development associates jumped by \$20,000 to 100,000.

"The dealer groups, financial institutions and independent advice firms surveyed this year were optimistic about the future, but they don't expect it to be easy," Financial Recruitment Group recruitment and consulting national manager Lena Coates says.

"Financial planners are facing the headwinds of change as a result of the government's new legislation and, of course, they are still feeling the aftershocks of the GFC on their businesses and revenues."

## INDUSTRY IMPACT

For Shadforth chief executive Tony Fenning, the past 12 months have been a period of great change for his group.

Unlike many of his peers, Fenning says while Shadforth did experience substantial change due to the market downturn, strategic changes rather than slashing staff numbers or making serious business cuts

“Volume bonuses, fee rebates, product providers and shelf space were words that were on most people’s lips and there was uncertainty around what potential new arrangements between dealer groups and investment platforms might mean for the new world order.”

**CONOR DONOGHUE**  
Financial Recruitment Group



CONOR DONOGHUE

were atop the group's priority list.

"We got agreement to cap salaries and in some cases from the senior people reduce them, which was self-depreciating stuff to make sure that we could keep other people," he says.

"We stopped paying dividends for awhile there and that funded us keeping people and we're now reaping the rewards of being able to power through that."

He says the main emphasis for the group is to make sure people are paid commensurate with the market and with the firm's perception of merit.

"It's just impossible to fault the commitment and support levels that people have put in and I think the market is starting to appreciate that it's a great business off the back of the quality-underlined businesses," he says.

"Together they are pretty good. Obviously we've got a whole set of other changes in front of us. We feel like we're relatively better off."

As well as reducing the GFC's impact on his business, the firm has also adopted a new business principle.

"We've really moved, just now, effective from 1 July, to a principle which we're calling meritocracy, which is really designed to make sure those systems come into one and remain current with the market," Fenning said.

"So we're moving to a salary and bonus-based system and that's related to



## SENIOR FINANCIAL PLANNER REMUNERATION

Location	SENIOR FINANCIAL PLANNER BANK			SENIOR FINANCIAL PLANNER NON-BANK		
	2010	2009	2008	2010	2009	2008
	Average remuneration package (\$)			Average remuneration package (\$)		
<b>SYDNEY</b> (Remuneration package range)	80,000-150,000	80,000-120,000	95,000-110,000	110,000-150,000	110,000-140,000	110,000-140,000
<b>MELBOURNE</b> (Remuneration package range)	80,000-150,000	80,000-120,000	95,000-110,000	100,000-150,000	100,000-130,000	100,000-130,000
<b>BRISBANE</b> (Remuneration package range)	80,000-140,000	80,000-120,000	95,000-110,000	87,000-120,000	87,000-120,000	87,000-120,000
<b>ADELAIDE</b> (Remuneration package range)	80,000-140,000	80,000-120,000	95,000-110,000	90,000-100,000	90,000-100,000	90,000-100,000
<b>CANBERRA</b> (Remuneration package range)	80,000-140,000	80,000-120,000	95,000-110,000	90,000-120,000	94,000-120,000	94,000-120,000
<b>PERTH</b> (Remuneration package range)	80,000-140,000	80,000-120,000	95,000-110,000	95,000-130,000	95,000-130,000	95,000-130,000

*Note:*  
Senior financial planners are starting to be hired this year on the lower range of the scale compared to last year.  
• Bonus payments are in addition to the remuneration package stated above.  
• Figures exclude planners from private bank divisions who are on higher salary ranges.  
• Remuneration range includes superannuation and other benefits, that is, total employment cost.  
• Expected bonus potential to be paid this year 0-50 per cent.

Source: Financial Recruitment Group Remuneration Survey, May 2010

a series of performance criteria.

“There’s effectively a system for management that’s benchmarked against the industry, a system for advisers that’s separate to that and benchmarked separately to their peers and in roles that are in non-client facing roles, and for supporting client service roles, they are each now categorised nationally and then we benchmark those roles individually against the rest of the world and then compare regional differences.”

Shadforth engaged the help of external consultants, including Mercer, to complete the transition.

Fellow financial services firm Snowball Group also employed the help of external consultants to formalise and adopt a more rigorous set of remuneration models for its staff.

“We actually embarked pre-GFC on a bit of a review of a whole rem [remuneration] structure and we actually engaged external consultants to do that,” Snowball Group managing director Tony McDonald says.

“Off the back of that came a couple of things: we’ve always had a view that in any package there should be a base component and an ‘at risk’ component. The ‘at risk’ component is all around being paid for not doing your job but delivering a superior outcome.

“Second thing is we also have a view that people should be rewarded along the way and the third thing we found was that we’d grown quite quickly and we wanted to formerly go to the market to benchmark to see where we were relative to the market.”

McDonald says as part of the findings of the review, the firm completed a benchmarking exercise, which placed the firm’s remuneration structure under the microscope.

“Relative to our peers, our profit

“Relative to our peers, our profit wasn’t as knocked around as much and we’ve always tightly managed our costs so we didn’t feel any sense of having to take out the knife and slash off the back of the GFC and also we were doing the review also.”

**TONY MCDONALD**  
*Snowball Group*

wasn’t as knocked around as much and we’ve always tightly managed our costs so we didn’t feel any sense of having to take out the knife and slash off the back of the GFC and also we were doing the review,” he says.

On the whole, the firm’s benchmark proved they were in line with the market.

“We completed our benchmark exercise and we corrected any anomalies, of which there weren’t many,” McDonald says.

“We rejigged our bonus schemes – the bonus scheme was tied more to two things. It was tied more to our core values and complying with the core values were a qualifier, in other words if you didn’t comply with the core values it didn’t matter what job you did, you’re going to struggle.”

Other changes the group has made on the back of the review are the introduction of short-term incentives biannually, a half-year and full-year review, and the introduction of above and beyond awards for employees.

Interestingly, McDonald says the remuneration review was prompted by a staff survey, not impacts from the GFC.

“We weren’t driven by the GFC at all. It seems to have been more or less we were pretty much aligned and I think to a certain extent we didn’t suffer as much in the GFC and therefore to a certain extent pay was cushioned a bit by that,” he says.

“We never kind of splurged before the GFC so I don’t think the adjustments were nearly as severe for us and also we were well down the track for doing a normal review anyway.”

## FEE MODELS

The survey found a variety of advice businesses and the larger financial services groups were still very focused on the balance sheet. However, the financial



TONY MCDONALD

planner skill set required for 2010 and beyond is going to be higher to meet the demands of a fee-for-service environment.

“Those that don’t adapt to the changing landscape are going to have a slow and painful demise, and those that do will flourish and grow,” Coates says.

National Australia Bank (NAB) financial planning head of business development Iain Rogers says NAB’s history of a fee-for-service structure has been quite the drawback for the group in the past 12 months.

“Because we have already gone fee-for-advice that was definitely a big lever for us in the marketplace where we can help them transition quite smoothly if they haven’t already been in that space and I think that’s why we were getting so much inquiry,” Rogers says.

He says the banking group experienced such an increase in inquiries from external groups and advisers that it was forced to add staff to its internal recruitment teams to meet demand.

For Fenning, while Shadforth considers itself 100 per cent fee-for-service, the proposed regulatory changes may cause a headache for others.

“I guess the way the regulatory environment is going it’s still unclear, despite the government’s releases so far, what’s going to be defined as fees and what isn’t,” he says.

“We’re waiting on clarification of what the rules in the brave new world are to



## FINANCIAL PLANNER REMUNERATION

Location	FINANCIAL PLANNER BANK			FINANCIAL PLANNER NON-BANK		
	2010	2009	2008	2010	2009	2008
	Average remuneration package (\$)			Average remuneration package (\$)		
<b>SYDNEY</b> (Remuneration package range)	65,000-90,000	67,000-90,000	67,000-90,000	80,000-120,000	80,000-120,000	90,000-115,000
<b>MELBOURNE</b> (Remuneration package range)	65,000-90,000	67,000-90,000	67,000-90,000	80,000-120,000	80,000-120,000	85,000-110,000
<b>BRISBANE</b> (Remuneration package range)	65,000-90,000	67,000-90,000	67,000-90,000	80,000-100,000	80,000-100,000	80,000-100,000
<b>ADELAIDE</b> (Remuneration package range)	65,000-90,000	67,000-90,000	67,000-90,000	65,000-85,000	65,000-85,000	65,000-85,000
<b>CANBERRA</b> (Remuneration package range)	65,000-90,000	67,000-90,000	67,000-90,000	62,000-83,000	62,000-83,000	62,000-83,000
<b>PERTH</b> (Remuneration package range)	65,000-90,000	67,000-90,000	67,000-90,000	85,000-110,000	85,000-110,000	85,000-110,000

Note:

- Remuneration range includes superannuation and other benefits, that is, total employment cost.
- Expected bonus potential to be paid 0-30 per cent.
- Bonus payments are in addition to the remuneration package stated above.
- This does not include private bank areas.

Source: Financial Recruitment Group Remuneration Survey, May 2010

be and we're a little bit frustrated by the lack of clarity around that. It seems like the profession has been under attack, but no-one will tell us exactly what a legitimate approach is.

"We support and we feel it's in our favour to move to a more professional services base from the traditional industry structure dominated by FUM (funds under management), but just to repeat, we're pretty frustrated by taking the media hits but without any light at the end of the tunnel to say 'well yes this is an acceptable way to do business'."

## RESPONSE TO GOVT CHANGE

The lack of clarity over changes has also been felt in the funds management industry, in particular BDMs, Financial Recruitment Group NSW state manager Conor Donoghue says.

"A lot of people were mentioning that they were not sure what's going to happen with all of the legislation side of things," Donoghue says.

"There really is a lot of uncertainty definitely as a key topic through all of this. There's positivity, most certainly positivity, and there's optimism and there definitely is a sense of the unknown, what is this all going to actually mean for us?"

He says among the distribution professional survey respondents there was a constant sense of 'the unknown'.

"Volume bonuses, fee rebates, product providers and shelf space were words that were on most people's lips and there was uncertainty around what potential new arrangements between dealer groups and investment platforms might mean for the new world order," he says.

The survey found other BDMs stated concern over the movement and change in ownership of platforms and products, as they have inherited some old closed

legacy products that were in outflow, yet this was still measured against their net flow numbers.

"Comment was made that with BDMs spreading themselves thinner across a larger geographical panel of advisers, as well as all the other value-add work that most BDMs get involved in and take seriously, how can they be accountable for retention of old outdated products?" Donoghue says.

"From a management perspective, there were comments that as inflows were slow for the last 18 months they were really looking at some of the other core activities that BDMs were doing, such as staying in front of dealer group management and researchers and getting onto APLs (approved product lists), however, it was also mentioned that being one of 1000 products on an APL no longer will be viewed as a big win unless there is quantifiable traction from a sales point of view.

"Instead, they wanted to see interstate BDMs working closer together on market intelligence, building new marketing strategies, and presenting with confidence, passion and vigour."

The survey also found various managers claimed that with all the pending changes around many parts of the industry they were splitting their time between the sales management piece as well as trying to stay one step ahead of what dealer group decision makers were going to need or what they would do over the next one to four years.

## BONUSES

Overall, the survey found the expectation for a higher bonus this year is optimistic.

Most of those surveyed are expecting to achieve their targets or close to it. The

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**IAIN ROGERS**  
NAB

average bonus for financial planners has lifted and most firms were also expecting to do well over the next year, the survey found.

For the funds management industry, last year if bonuses were paid it was more of a token payment of 10-20 per cent to either reward people for hard work or as a retention strategy, the survey found.

"Businesses that work on the financial year calendar are close to calculating this year's bonuses and the view is more positive although not uniform – anything up to 50-70 per cent of bonus potential were being mentioned by some managers, although the comment was made that 'this hasn't been submitted upstairs yet'," Donoghue says.

"Yet in comparison, some businesses feel the bonus pool will still be quite bare this year.

"Some teams saw a reduction in the targets for last year and they are still working on similar numbers for this year again, but a few people commented that they have caused themselves some unexpected problems by exceeding risk sales at the expense of, say, managed investments last year, and this has had the obvious ripple effect on this year's targets, generally an increase on actual business written, so therefore their risk targets might drag down their overall bonus payment for this bonus cycle."

For Rogers, the fact his team works on a fee-for-advice basis, the payment of bonuses in the past 12 months was not a major issue.

"Because we've transitioned for some time for fee-for-advice we're generating a larger and larger proportion month to month out of fees that are linked to advice and not product," he says.

"Whilst we're obviously still affected by markets, it's put a bit of solidarity



## PARAPLANNER REMUNERATION

Location	PARAPLANNER (Less than 3 yrs experience)			SENIOR PARAPLANNER (More than 3 yrs experience)		
	2010	2009	2008	2010	2009	2008
	Average remuneration package (\$)			Average remuneration package (\$)		
<b>SYDNEY</b> (Remuneration package range)	55,000-80,000	60,000-80,000	60,000-80,000	80,000-90,000	80,000-110,000	80,000-100,000
<b>MELBOURNE</b> (Remuneration package range)	50,000-75,000	55,000-75,000	55,000-75,000	75,000-90,000	75,000-100,000	75,000-100,000
<b>BRISBANE</b> (Remuneration package range)	50,000-65,000	50,000-65,000	50,000-65,000	65,000-80,000	65,000-80,000	65,000-80,000
<b>ADELAIDE</b> (Remuneration package range)	50,000-65,000	50,000-65,000	50,000-65,000	65,000-80,000	65,000-80,000	65,000-80,000
<b>CANBERRA</b> (Remuneration package range)	50,000-60,000	40,000-60,000	40,000-60,000	60,000-75,000	55,000-75,000	55,000-75,000
<b>PERTH</b> (Remuneration package range)	50,000-70,000	50,000-75,000	50,000-75,000	70,000-75,000	75,000-100,000	75,000-100,000

Source: Financial Recruitment Group Remuneration Survey, May 2010

Note:

- Bonus payments/incentives are in addition to the remuneration package stated above.
- Remuneration package includes superannuation and other benefits, that is, total employment cost.
- Potential bonus to be paid this year 0-50 per cent.

under the income flows under our advisers. Their remuneration is linked to revenue and fee revenue; it's not to one-off bonuses so we didn't have to make one-off decisions. It was deliberately linked to the advice that our staff were giving and because they were still required to give a lot of advice whilst they were affected, I know it wasn't to the degree of some others in the industry."

## HIRING

Interestingly, despite the market concerns, recruitment within the financial planning and funds management sectors increased.

The hiring of planners was on the upswing across all sectors compared to this time last year, with boutiques still doing most of the hiring themselves.

"Larger, and some smaller, financial services groups engaged recruitment professionals to seek out talented individuals that can add value across all areas of their businesses," Coates says.

"In the new world, the planner will need to be technically competent, as well as being able to engage the client on the value of advice to sustain an ongoing professional relationship.

"The trend is for planners to come on board with an existing client base or have access to referral sources to allow them to be self-sufficient very quickly, thereby enabling them to contribute to the bottom line and, consequently, qualify for the rewards of bonuses, share plans, and share in equity.

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TONY FENNING  
Shadforth

displaced through the GFC, most have secured roles. Their salary ranges have not changed significantly within the bands shown on the table, but will vary slightly from state to state."

Many of those firms surveyed expect growth in their businesses and were actively recruiting to increase their financial planning numbers, the survey found.

"They were not just backfilling as a consequence of downsizing during the GFC. Several organisations that made the conscious decision not to downsize are now reaping the rewards," Coates says.

"They have the people on the ground to take advantage of the more positive market conditions and sentiment, and felt that next year was going to be a very good year for them.

"In addition, those companies that have already moved to a fee-for-service model felt that they had a positive advantage over those that would not be ready until 2012."

In terms of the funds management sector,



TONY FENNING

the survey found that outside of managed investment schemes, particularly timber and some alternative assets groups, businesses were still selectively recruiting.

Rogers says his division's backing by a large institution helped give the business group strong financial support during the GFC.

"One of the fortunes of being backed by a large and solid institution is that we're able to take a bit more of a longer-term view, so we didn't make any staff cuts and indeed we were still recruiting through last year because we did recognise there might have been a bit more talent to improve our talent

## FUNDS MANAGEMENT DISTRIBUTION REMUNERATION

POSITION	SALARY RANGE (\$)	BONUS POTENTIAL
Heads of distribution	250,000-430,000	Up to 100% + LTIs
National key account managers	195,000-250,000	Up to 100% + LTIs
Key account managers	150,000-200,000	Up to 100% + LTIs
State managers	165,000-240,000	Up to 100% + LTIs
Senior BDMs	150,000-180,000	Up to 100%
BDMs	100,000-140,000	Up to 100%
BDAs	50,000-100,000	Up to 30%

### Note:

- Bonus payments/incentives are in addition to the remuneration package stated above.
- Remuneration range includes superannuation and other benefits, that is, total employment cost.
- Several cases revealed token and retention bonuses were paid, which were not directly attached to performance.
- Bonus average up to June 2010 was estimated to be between 40-60 per cent of bonus potential.

Source: Financial Recruitment Group Remuneration Survey, May 2010



# BRAND AND CULTURE will pay off in the end

Written by: Judith Beck, Financial Recruitment Group managing director

After conducting the Financial Recruitment Group Salary Survey for the past eight years, we found this year was the most complicated. Not because the numbers changed, because in most categories they remained the same, but because of the vast difference of opinion and changing attitudes. We started our survey in September, however, we needed to re-evaluate again right up to our deadline date of May.

In addition, bonus structures fluctuated substantially with token and retention bonuses paid. There were a number of companies that still paid top bonuses to high performers, with others getting zero.

Salary freezes should end by July/August, however, the intention is not to increase.

One thing that is very evident in the current market is that companies are unprepared to go back to the days of overpaying for a position. Even though the good candidates are still hard to attract, overpaying for a role is not an option. The salary levels for the most part remained the same. However, companies stated that in order to attract good people, they were reliant on their brand and culture. They were also putting together better bonus structures with clearer key performance indicators.

Interestingly, in the past three months particularly, senior candidates that have been on our short list for roles have said their decision has been based on

company brand, culture and the personal brand of the person

they will report to. Most candidates we have had on the short list for positions have also been considering other positions that they have been approached for. Another key decider for them in making their decision is how the company has conducted itself during the interviewing process.

One candidate had three separate offers, but because the other companies were procrastinating, they took the offer where the company was decisive and professional. The package in the end was not as high as the packages offered by the procrastinators,



JUDITH BECK

pool in terms of advisers,” he says.

“We weren’t recruiting to the same extent that we were the year before or indeed this year. But we were certainly recruiting and weren’t laying people off.”

He says the firm has been recruiting at all levels, particularly at the senior financial adviser level, with the firm bringing on new recruits from rival firms.

“We didn’t do it in a big way and we made sure we took good people on. But we did bring a number of people on there,” he says.

“We were finding that the people who were getting laid off obviously weren’t the best people, so we weren’t finding the talent pool was greatly increased.

“But what we did get was that because other institutions were laying off, some of their better people came to talk to us because they knew we’re a little more solid and that’s where we actually did get some of the better people. Not people who had been retrenched or laid off, it was more people who were coming to us for our business proposition.”

For Axa Australia-owned dealer group rmgfs, the group’s strategic change during

the GFC has also placed them in good stead for 2010 and beyond, particularly in recruitment.

“[In 2009], we basically delayed recruitment and deferred some expenditure. But 75 per cent of our expenditure is on wages, so the decision we made in the last quarter in 2009 when we were doing our business planning [was] let’s make some strategic investments in our people structure and in our business infrastructure,” rmgfs principal Patrick Canion says.

“So we actually increased our spending this year in 2010. We’ve increased our spending on our facilities, we’ve hired a couple of new people and we’re going to hire a new adviser.

“That’s actually more capacity than we need for this year, but the idea is it will hold us in good stead for a three-year period.”

For Canion, the GFC provided a catalyst for the firm to increase transparency with its team and to get it more involved in understanding the business.

“We didn’t actually freeze salaries. We review them in December each year and

“Those that don’t adapt to the changing landscape are going to have a slow and painful demise, and those that do will flourish and grow.”

**LENA COATES**  
*Financial Recruitment Group*

we’ve done increases both years, though modest, and the business in one sense we couldn’t justify it because we didn’t hit our targets, but on the other hand everyone worked so hard and it was so important for me to keep our people and say thank you, so the shareholders had to take a bit of a hit in that regard,” he says.

“Even when we delayed or cut some costs, the one thing we didn’t do was compromise on anything that helped them do their job better.

“We actually spent more on our client management, Coin, we spent a lot of time and money automating our advice documents, we didn’t hold back on that side of it.”

For financial services giant AMP, the choice to initiate a salary freeze for staff and executives was a strategic one.

“AMP put in place a wage freeze for AMP staff and executives in 2008,” AMP Financial Services managing director Craig Meller says.

“This helped ensure we managed the business prudently through the global financial crisis and it meant we could continue to focus on programs to accelerate growth for the business and for our planner network.”

There is little doubt Australia’s financial services industry has difficult times ahead of it, with government reforms looming ever closer.

Though as many more groups continue to revive and survive the big freeze of 2008/09, new directions will be forged and new hope will form for not only the industry but in the eye of the client. «

#### LICENSEE DISTRIBUTION REMUNERATION

POSITION	SALARY RANGE (\$)	BONUS POTENTIAL
General manager	230,000-450,000	Up to 100% + LTIs
State manager	180,000-250,000	Up to 100% + LTIs
Regional practice development manager	160,000-220,000	Up to 100% + LTIs
Practice development manager	120,000-170,000	Up to 100%

Note:

- Bonus payments/incentives are in addition to the remuneration package stated above.
- Remuneration range includes superannuation and other benefit, that is, total employment cost.
- Average bonus up to June 2010 is estimated to be between 10-50 per cent of bonus potential.

Source: Financial Recruitment Group Remuneration Survey, May 2010

but money was not the main motivator for them. As soon as the other companies figured out that their preferred candidate had other offers, their procrastination turned into action, but it was too late – they had already made the wrong impression and had lost the candidate to the competition.

While companies felt that there was a pool of talented people available due to mergers/redundancies last year, most agree that now the pool is limited and attracting good candidates is becoming harder and harder. Last year, companies used their networks to hire staff, however, this year they are more reliant on a search process. Advertising and social and business networking will generate candidates at the junior levels, but for senior roles, especially within the distribution areas, the best candidates are tapped on the shoulder and presented with an opportunity.

The Financial Recruitment Group Salary Survey revealed the following:

- 98 per cent of companies are optimistic about the year ahead.
- Recruitment is predicted to be steady, based on replacing someone who leaves and small growth. They are not rushing out to hire new staff for new positions.
- Companies are looking for the more experienced candidates with high skill levels when hiring and feel their company brand will be the attraction.
- Distribution staff interviewed all think good talent is still in short supply.
- Human resources areas are still trying to recruit directly. However, for more senior roles, they concede that in order to get the best they will need an external search.

- The Sydney market is more active at the moment in terms of positions available and growth, with the Melbourne market just starting to hire again, along with the other states.

Another interesting new trend is the personal brand issue. Candidates told us that when they consider a new role they conduct Internet searches and references on the person they will report to. If the person has a negative personal brand, then this could cost the company as it will be hard to attract good candidates.

Smaller organisations will still have a hard time in attracting candidates in the next 12 months, as candidates stated they still do not feel comfortable moving from their role to a smaller, less-known organisation, even if there is a substantial increase in remuneration. «