



2020

ACCOUNTANTS IN MELBOURNE, WHICH INDUSTRY DO YOU CHOOSE...

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AT THOMPSONCOOK WE ARE OFTEN ASKED TO PROVIDE COMMENTARY ON DIFFERENT INDUSTRY SEGMENTS AS PEOPLE LOOK TO STRATEGICALLY GROW THEIR CAREER. AS YOU PROGRESS YOUR CAREER IN ACCOUNTING, YOUR PERSONAL BRAND EQUITY IS OFTEN STRONGEST IN THE INDUSTRY WITHIN WHICH YOU HAVE THE DEEPEST EXPERIENCE. ACCORDINGLY, THE INDUSTRY YOU WORK IN TODAY, WILL IMPACT THE CHOICES AVAILABLE FOR YOU IN THE FUTURE.



RETAIL

- Typically, one of the most popular sectors in Melbourne for accountants looking to make their first transition into industry. This is due to:
 - The number of established retailers with large head offices based in Melbourne.
 - The product nature of how retail businesses are structured creates a greater volume of Financial Planning & Analysis focused positions. We find these positions are generally very appealing to accountants.
 - The association with a well known brand.
- Many retail companies in Australia are facing very difficult trading conditions. They have a relatively fixed cost base and are often facing flat or declining revenues. Disappointingly, in 2019 there were a number of major retailers placed into administration including Harris Scarfe, Bardot, Roger David, Napoleon Perdis and Shoes of Prey. This continued the trend from 2017 and 2018. Unfortunately, we feel this trend will continue in



- 2020, as evidenced by Jeanswest going into administration in January 2020 and Bose shutting all of their stores across Australia.
- Some notable results from the sector in 2019 include Myer recording their first profit growth in nine years, ASX retail powerhouse JB Hi-Fi achieving a fifth consecutive year of significant increase in sales and profit and Premier Investments shares (The Just Group, Smiggle, Just Jeans & Peter Alexander) hitting a record high.
- Salaries have trended flat or they have been in decline across most accounting positions in retail.
- Melbourne has a large number of retailers including: Coles, MYER, Accent Group, Cotton On Group, JB Hi-Fi, 7-Eleven, Sushi Sushi, Lovisa, Target, The Pas Group, T2 Tea, Just Group, Chemist Warehouse, Starbucks, Specsavers, Baby Bunting, Grill'd, K-Mart, Lululemon, Nike, Adidas, Catch Group and Wesfarmers divisions such as Workwear Group, Officeworks and Bunnings.



FAST-MOVING CONSUMER GOODS (FMCG)

- This sector continues to undergo rapid change and development with constant changes in product lines and ownership. The most prominent example being Asahi Group's recent agreement with Anheuser-Busch InBev [ABI] acquiring the Carlton & United Breweries [CUB] business in Australia for \$16 billion AUD.
- For accounting professionals between the \$80k - \$140k mark, FMCG remains a very popular sector given the image and reputation of the brands and their tangible products.
- Over the last year we have seen steady, ongoing recruitment across the FMCG accounting functions. FP&A/Finance Business Partner roles to support sales and marketing continues to be in strong demand, as do supply chain and manufacturing focused positions, due to their specific focus and the niche skill set required.
- Some of the larger organisations in the Melbourne FMCG sector include: Treasury Wine Estates, CCA, L'Oréal, Burra Foods, Ansell, Twinnings, Chobani, Simplot, Costa Group, CUB, Fonterra, Asahi Group, Asaleo Care, Mondelez, General Mills, Lion, Saputo, McCain and Bega.

NOT-FOR-PROFIT + HEALTHCARE

NOT-FOR-PROFIT

- Interestingly, more accountants are considering opportunities in the not-for-profit sector. This is due to many factors including:
 - Increasingly competitive salaries (with options such as salary packaging).
 - Interesting work as part of the continual commercial transition of charities.
 - Many accountants are interested in finding a job they are "passionate" about and working for a not-for-profit enables them to have a successful accounting career and contribute to the community. For some accountants, they are trying to find a vocation more than an accounting career.
- Some of the largest organisations in the Melbourne not-for-profit sector include: The Walter and Eliza Hall Research Institute, Multiple Sclerosis Australia, World Vision, Movember, Thankyou, Oxfam, Save The Children, St Vincent de Paul Society, Cancer Council Victoria, The Salvation Army, Australian Red Cross Blood Service and the Australian Red Cross.

HEALTHCARE

- Due to the unique complexity of this regulated environment, employers like to recruit staff that have existing healthcare sector experience. Interestingly, there have been a number of key finance executive movements in the sector over the last 18 months, and frequently, it will be a finance executive from one healthcare provider going to another, often taking a step-up in role and responsibilities.
- Some of the largest organisations in the Melbourne healthcare sector include: Peter MacCallum Cancer Centre, Royal Children's Hospital, Melbourne Health, Northern Health, Eastern Health, Western Health, Austin Health and Monash Health.





AGED-CARE

- The aged care sector was severely impacted in 2019, most notably with the Royal Commission into Aged Care Quality and Safety. The three ASX listed aged care providers with a Melbourne head office being Regis Healthcare, Estia Health and Japara Healthcare, all have their shares at record lows.
- As a result of the findings and an anticipated increase in state and federal government funding into the sector, we expect 2020 to see a gradual increase in the size of accounting functions, especially for the larger providers.
- Interestingly, there have been a large number of key mergers in the last three years as aged care providers reacted to government funding cuts, increased competition from smaller providers entering the market, and an increase in demand to meet the needs of ageing Australians. We expect this trend to continue throughout 2020. These mergers included BlueCross and Sapphire Care, Mercy Health and Southern Cross Care, RSL Care and RDNS to create Bolton Clarke as well as Uniting Care and Wesley Mission.
- Salaries have been flat across not-for-profit aged care providers and have shifted slightly upwards with private or ASX listed providers as the demand for talent in this sector is at an all-time high.
- Some of the larger organisations in the Melbourne aged care sector include: Japara Healthcare, Regis Group, Estia Health, Bapcare, Benetas, Mecwacare, Villa Maria Catholic Homes, UnitingCare, Allity Aged Care and Mercy Health as well as large financial services groups such as Bupa, Medibank and Australian Unity who are looking to grow their aged care services.



PROFESSIONAL SERVICES

- The professional services sector typically includes law firms, accounting firms and consulting firms. Many of these companies are part of global groups and are very large Australian companies.
- Typically, they all have sizeable accounting functions and make up a significant segment of the accounting market in Melbourne. Professional service firms are very focused on recruiting accounting executives who have worked within their sector, accordingly, this has created a very deep but narrow demand for accounting staff with professional services experience.
- KPMG, EY, Deloitte and PwC, as well as a growing list of mid-tier firms continue to expand rapidly through diversification of focus on their growing advisory services division, such as consulting within strategy and/or technology. As an example, Deloitte recently shut down their Deloitte Private division to focus on higher-margin consulting work.
- It has been reported that consulting giant Accenture is set to axe up to 70 Managing Director level executives in Australia after a second consecutive year of missing internal sales targets - possibly this reflects the growing success that KPMG, EY, PwC and Deloitte are having in their advisory services.
- Some of the larger organisations in the Melbourne professional services sector with internal accounting functions include: KPMG, Deloitte, Boston Consulting Group, Accenture, Corrs Chambers Westgarth, Norton Rose Fulbright, King & Wood Mallesons, Allens, Norton Rose Fulbright, Maurice Blackburn Lawyers, Slater and Gordon, Maddocks, Findex and MinterEllison.



TRANSPORT + LOGISTICS

→ The transport and logistics industry in Australia has been historically buoyant due to the demand from the mining boom and booming Asian economies. However, over the last three years most large Australian transport and logistics businesses have been under revenue and cost pressures. Some of the large companies to go through notable change include:

- Australia Post
- Toll Group
- Linfox

→ In 2019, Toll announced a second consecutive year of increases in both profit and revenue. They attribute their turnaround to a tough restructure including over 3000 job cuts since Japan Post wrote off \$4.9 billion in 2017 on its \$6.5 billion Toll takeover. In 2018, Toll cut 330 jobs in Australia as they outsourced AP, AR and some transactional accounting tasks to Accenture.

→ Many have established centralised accounting teams, reduced labour costs and have implemented shared services to support their divisions and business units where possible.

→ Interestingly, we are starting to see an upturn in the SME logistics space with mid-sized companies taking advantage of the troubled times that have faced the larger players.

→ Some of the larger organisations in the Melbourne transport and logistics sector include: Australia Post, Linfox, Toll Group, EFM Logistics, SCT Logistics, Mainfreight, Pacific National, Kalari, Rivet Group, Swire Company and Kings Transport.

INFORMATION + COMMUNICATION TECHNOLOGY

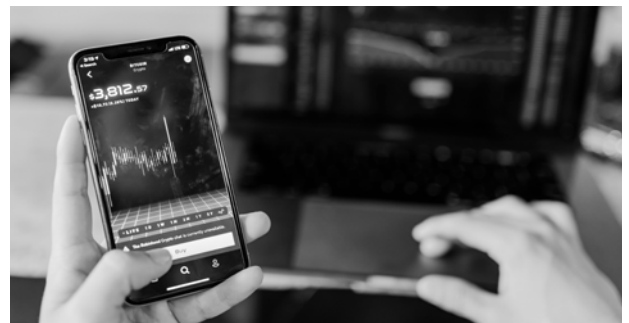
→ This is a growing segment of the accounting market which has seen the continual expansion of accounting teams. We predict that this trend will continue in 2020 as:

- Many US based SaaS businesses are considering listing on the ASX rather than the NASDAQ or NYSE due to the “splash” they can make in the Australian stock market in comparison to the slight ripple they would ultimately make in the US.
- Australian ‘success stories’ with a Melbourne head office continue to grow, expand and increase headcount. These include Versent, Airwallex, Pepperstone, IRESS, Praemium, Openpay, LiveHire, MessageMedia, Redbubble, Judo Capital, PEXA, PageUp, XERO, Culture Amp, Timelio and Afterpay.
- A growing number of technology businesses with an overseas head office are choosing Melbourne as their Asia Pacific headquarters. These include Uber, Zendesk, Slack, Square and Eventbrite.

→ An interesting and exciting sector of the market – especially businesses such as SEEK, REA Group and Carsales that have a global scope, are ASX listed, have a Melbourne head office and are growing and profitable. As a result, this sector tends to be dominated by good quality, bright and career driven accountants.

→ Some of these companies are part of large global groups and have the need to create complex matrix accounting structures which has led to the creation of interesting and challenging accounting positions. There are few opportunities for AP, AR or Payroll people within this sector as most of these functions are performed internationally.

→ Some of the larger organisations in the Melbourne information and communication technology sector include Telstra, SEEK, Culture Amp, IRESS, Afterpay, Envato, Versent, Carsales, MYOB, and REA Group.





MEDIA + ADVERTISING

- Media and advertising companies are in an increasingly competitive global marketplace and are finding their trading conditions difficult. We have seen a lot of accounting team restructures in 2019 and foresee that trend to continue in 2020. Growth tends to come through acquisition of smaller players, which for accountants, can cause frustrations around efficiencies in systems and processes.
- Further, the loss of major accounts has led to a number of redundancies across Melbourne for specialist billing and revenue accounting roles. Also, several of the international agencies have completed outsourcing projects for their AP, AR and Payroll functions which has flooded candidates onto the market.
- Some of the larger organisations in the Melbourne media and advertising sector include Clemenger BBDO, Dentsu Aegis, Village Roadshow, TBWA/Whybin & Salmat.



SPORT + RECREATION

- Most organisations in this sector have small accounting functions, and although appealing for candidates who have a passion in sport, progression is often limited. As such, the sector is appealing for accountants who enjoy working in a broad role with autonomy.
- The largest accounting functions tend to exist within the governing bodies of sport, including Tennis Australia, Cricket Australia, Victoria Racing Club, Harness Racing Club Victoria, Swimming Australia, Cricket Victoria and the Australian Football League (AFL) as well as some of their football clubs.
- Due to the competitive and cost-conscious nature of the sector, salaries tend to be below market.



HOSPITALITY, LEISURE + TOURISM

- This is another highly attractive sector given the popularity of the brands. The sector tends to have small to medium sized accounting teams with most sitting in the 'financial control' arm rather than in commercially focused teams. The sector is dominated by large private groups, frequently family owned, who often find it challenging to invest in their accounting functions and processes.
- One organisation performing well at the moment is the KKR backed Australian Venue Co, Australia's second largest pub operator, who are pursuing an IPO on the ASX in 2020. They have significantly increased their accounting function in the last 12 months, and we believe this trend will continue throughout 2020.
- Salaries tend to be slightly below market for all levels in this sector.
- Some of the larger organisations in the Melbourne hospitality, leisure and tourism sector include Vue Group, Australian Venue Co, Emirates Leisure Retail, Delaware North, Dixon Hospitality, The Lucas Group, Atlantic Group, Museums Victoria, Arts Centre Melbourne, MCC, O'Brien Group, Intrepid Group, Commune Group, St. Ali, Flight Centre, Webjet.com.au and Crown Resorts.

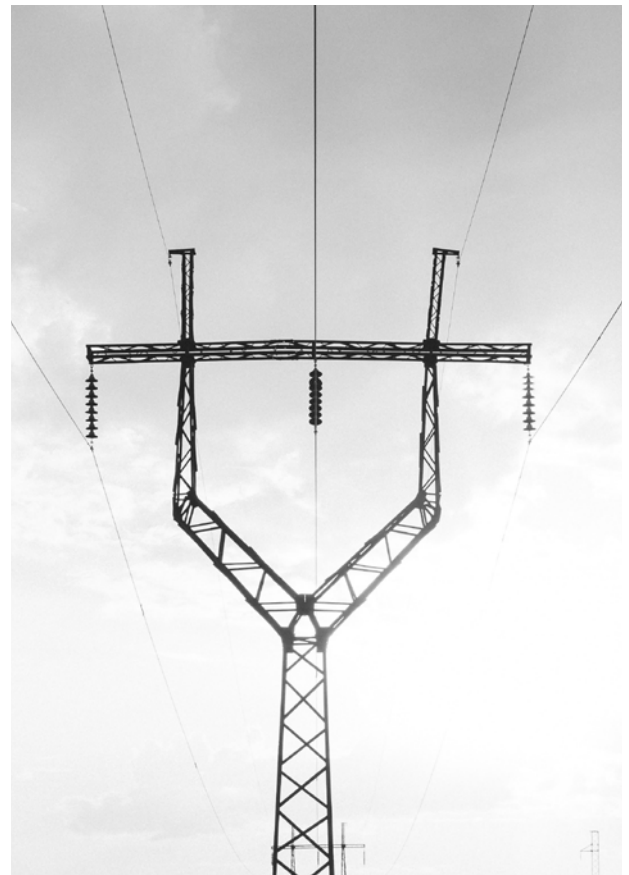


PROPERTY + CONSTRUCTION

- The property and construction industry remains a very appealing sector for accountants at all levels due to the growth it has experienced in the last five years. Although 2019 was a stable year, there are some strong early signs for 2020. For small to medium sized companies in this sector, cash-flow is a constant concern meaning pressure can be applied to the finance team when the business is struggling.
- Companies in this sector often hire CA's from the profession, ideally with business services/private clients experience or experienced accountants from their competitors.
- Due to the continued growth, an accounting career in the property and construction sector continues to be very appealing for candidates.
- Some of the larger organisations in Melbourne property and construction industry include:
 - Developers – MAB, Mirvac, Lendlease, Hallmarc, Caydon, ICD Property, PDG, Beulah, Far East Consortium, Development Victoria, BPM, Bensons Property, Capital Alliance, Costa Fox, Gurner, Jinding Australia, Deague Group, MaxCap Group, Salta Properties, Pace Developments, Little Projects, Future Estates, Cadence.
 - Construction – Multiplex, Grocon, Probuild, Icon, Kane, CPB Contractors, Pellicano, Vaughan Construction, Texco.
 - Residential Builders – Metricon, Henley, Simonds Homes, Burbank, Carlisle Homes, Porter Davis, Dacland, Dennis Family Corporation, Villawood, Woodlea, AV Jennings, Glenwill.
 - Asset Management – Qualitas, Vicinity Centres, Ubertas, Dexus, GPT, RetPro, Stockland, Essendon Fields, Melbourne Airport.

ENERGY + UTILITIES

- The energy & utilities sector has experienced structural change over the last 18 months. Many of the large Melbourne energy retailers have experienced executive level change which has filtered through the mid to lower levels of management within the organisations resulting in a level of delayering in accounting teams.
- Similar to the FMCG market in Melbourne, many energy and utilities companies have a higher number of accounting resources working in FP&A and “Business Partnering” positions within divisions of the group.
- The energy & utilities sector often looks to recruit talent from within the industry or within other regulated services industries such as financial services. Consequently, many accountants entering at a junior level in this sector can navigate their careers through competing organisations.
- Some of the major organisations players in the Melbourne Energy and Utilities market include: WorleyParsons, AGL, Origin Energy, AusNet Services, Sumo Power, Lumo & Red Energy, Jemena, ENGIE, CitiPower & Powercor, Energy Australia and Viva Energy.





EDUCATION

- The education sector continues to grow with increased demand for finance staff at all levels. Key drivers of demand in this sector include the growth of key universities in Victoria, continued corporatisation of many leading schools and the emergence of secondary education providers focused on international students and generous government grants.
- Education is an excellent sector for finance staff who are looking for an environment that offers stability and flexibility of employment. There continues to be strong demand at the very senior end of the finance market for experienced finance executives with strong knowledge of the education industry, or similar publicly funded sectors such as public health.
- Some of the largest employers within the University sector include: Melbourne University, Monash University, RMIT, Deakin University, Swinburne University, La Trobe University and Victoria University. Some of the larger high schools in Melbourne include: Haileybury College, Caulfield Grammar, Methodist Ladies College, Xavier College, Melbourne Grammar School, Melbourne Girls Grammar, Scotch College, Wesley College, St Kevin's College and schools within the Catholic Education affiliation.

MANUFACTURING

- Many years of cost-cutting and process reviews has meant that many businesses have offshored their manufacturing operations. A prime example of this is the automotive industry which has seen most of the former major players move overseas.
- Manufacturing continues to be a significant but challenging sector for finance executives. Often, we see finance executives transition out of manufacturing to the more buoyant and relatable FMCG sector.
- For finance executives who work in manufacturing, the best firms to work for are the global manufacturing firms that have a head office in Melbourne rather than working for mid-tier smaller manufacturing companies.
- Some of the larger organisations in the Melbourne manufacturing market include: Amcor, Orora, Visy, Pact Group, DuluxGroup, Ixom, Orica, Incitec Pivot, CSL, PPG and Nufarm.



INFRASTRUCTURE

- Infrastructure is a buoyant industry in Melbourne, required to support the economic growth and growing population. Victoria has extensive road and rail networks, world-class sea and airport hubs, and high-quality telecommunications infrastructure.
- The approvals of the Melbourne Metro Tunnel and Melbourne Airport Rail Link projects have substantially impacted the industry. The multi-billion-dollar projects are forecast to require construction work until 2029. This will result in a greater demand for candidates with specific project accounting experience.
- Some of the larger organisations in the Melbourne Infrastructure market include: Port of Melbourne, Civic Group, Ventia, Transurban, Melbourne Airport, Aurecon, Jacobs, Beca, Metro Trains, AECOM, Downer EDI and John Holland.



FINANCIAL SERVICES

- The ever-changing nature of the financial services industry has led to the majority of larger banks making redundancies across an array of divisions. We have seen this significantly impact group finance teams. We are seeing more and more intermediate finance professionals stepping into senior roles as the descoping of responsibility continues to take place.
- Superannuation remains a steady Melbourne driven market, however, internal finance teams remain somewhat lean.
- On the whole, salaries within the financial services sector tend to be higher than most other industries at the intermediate to senior level, however, the junior to intermediate accounting candidates tend to remain below average in comparison to that of non-financial services groups. We see that the best paid in accounting are those that move institutions every 3-5 years.
- The largest financial services companies in Melbourne include: ANZ, NAB, AMP, AusSuper, Computershare, Medibank, Bupa, and Australian Foundation Investment Company, McMillan Shakespeare, Australian Unity, Eclipx Group, Latitude, and Link Group.



FOCUSED ON MELBOURNE. EXPERTS IN ACCOUNTING RECRUITMENT, SALARY BENCHMARKING AND CAREER PLANNING.

We are here to assist organisations to create great finance functions. Our goal is to help clients and candidates navigate an increasingly competitive and challenging accounting talent market. Our team are astutely aware of the trends that have shaped accounting functions for almost two decades. We appreciate and understand the multiple roles and complex deliverables of finance functions. At ThompsonCook, discover better ways to gain recruitment advice and career planning insight.

Our clients want to deal with a different type of firm that is flexible, realistic and consistent when responding to needs. Our candidates want insight, support and transparency on how to maximise their careers.

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