



Australia Market Insight & Salary Guide

January – June 2020

Market Insight

Hiring across audit, compliance and risk for the second half of 2019 has been extremely busy, especially for the banking sector. Throughout 2020, we expect to see all local banks continue to increase their audit, compliance and financial crime compliance (FCC) functions in response to increasing regulatory pressure from ASIC, APRA and AUSTRAC.

Banking

In response to the Banking Royal Commission, the major banks in Australia continued to increase the headcount across audit, compliance and FCC.

FCC saw the most significant increase in headcount during 2019 as a result of increased regulatory focus by AUSTRAC. The A\$700 million penalty dealt to Commonwealth Bank for serious breaches of AML and CTF laws represents a stern warning to the broader banking sector, causing banks to build out their FCC teams and substantially expand their function. Throughout 2020, we therefore expect further expansion of FCC in Financial Intelligence Unit (FIU) function, increased use of data analytics and further expansion of the advisory functions across the core business lines of the banks.

On the compliance side, we have seen notable expansion by the major banks in response to the Banking Royal Commission. When compared to the framework and structures of other global institutions, significant progress is required to ensure Australian banks have the correct framework to meet their regulatory obligations. Furthermore, extensive work is required to ensure compliance programs are embedded into such businesses, with a significant culture and conduct change required across the Australian banking sector. Recent comments from Wayne Byres (Chair of APRA) in an interview featured in the Financial Review on the 8th of January 2020 support these observations: “It’s pretty clear that an upgrade in compliance functions across the industry is needed.” We believe there will be further regulatory pressure exerted, as well as increases in litigation, from both

ASIC and APRA throughout 2020. This will force the banks to significantly expand their budgets for compliance, resulting in substantial growth in headcount within business functions such as advisory, regulatory compliance, central compliance, monitoring & surveillance and conduct.

Within internal audit, there has been significant change at the 'Head of level' in 2019, with several institutions recruiting new Head of Audit. Throughout the last six months, we have also seen a considerable increase in hiring activity at the Manager and Senior Manager level across the Melbourne and Sydney markets. This will continue in 2020, with the Australian regulatory bodies requiring the third line of defence to undergo more deep-dive audit reviews. Banks will have a strong preference for candidates who possess skills in data analytics in order to further strengthen internal audit.

On the risk side, we don't expect to see an expansion of headcount within the financial risk area. However, we do forecast further growth in the non-financial risk areas, such as technology risk and data privacy.

Superannuation and Asset Management

In the second half of 2019, we saw reasonable levels of recruitment across the superannuation and asset management sectors for compliance. As a result of the Capability Review of APRA, led by Graeme Samuel in mid-2019, we do expect that APRA will have a significant focus on the superannuation sector. This will result in the necessity for the industry to expand its compliance function.

On the asset management side, the level of recruitment will be similar to that of the past six months, with a majority of hiring merely representing replacement of headcount.

Insurance

Hiring across compliance and internal audit remained steady during the second half of 2019. Going into 2020, we would expect hiring to be of a similar level for the insurance sector.

Digital transformation and technology have been priorities for many insurance companies in the past, and we expect the same in 2020. Consequently, firms must aim to retain talent with experience in IT/Cloud governance and data privacy & protection. There is a limited pool of audit, risk and controls candidates with insurance experience. As a result, insurance companies are now considering candidates from the banking sector, especially in retail banking and wealth management. Unlike the banks, in the insurance sector, the audit, risk and controls openings are traditionally in the second and third line, and we have not seen many first line risk and controls roles developing. Most companies are relying on their second line risk management teams to cover risk and control issues arising in the first line.

Insurance companies have also been looking to strengthen audit and risk management teams by recruiting specialists with an actuarial background. Actuaries with economical capital and product actuarial experience are becoming increasingly highly sought-after. Unsurprisingly, companies are required to pay a premium to attract professionals from traditional actuarial functions into such non-traditional actuarial-related roles.

Conclusion

Hiring throughout the next 12 months for audit, compliance, FCC and non-financial risk positions will be very active.

The talent pool for compliance and FCC professionals in Australia is very shallow. Hence, banks will likely look to recruit from Asia, UK and North America for fulfilment of key roles. To grow the compliance talent pool, institutions are going to need to look at talent within audit, legal and risk. This will put further pressure on

the supply of talent within these areas. With demand outstripping supply, we have seen the average salary increment for people moving between companies in 2019 sitting at between 20-30% for compliance and at approximately 20% for audit. Given the growing headcount within these functions, these increments can only be expected to rise.

Audit Salary Guide

	Analyst / Senior Analyst	Manager	Senior Manager	Director / Executive Manager	Head of	General Manager
BANKING						
Audit	80,000 to 115,000	115,000 to 150,000	150,000 to 190,000	190,000 to 250,000	250,000 to 310,000	450,000 plus
IT Audit	80,000 to 115,000	120,000 to 160,000	160,000 to 200,000	200,000 to 260,000	260,000 to 320,000	NA

	Analyst / Senior Analyst	Assistant Manager	Manager	Senior Manager	Director / Head of
INVESTMENT MANAGEMENT					
Audit	80,000 to 110,000	110,000 to 140,000	140,000 to 180,000	180,000 to 280,000	300,000 plus

	Analyst / Senior Analyst	Assistant Manager	Manager	Senior Manager	Director / Head of
INSURANCE					
Audit	80,000 to 110,000	110,000 to 140,000	140,000 to 180,000	180,000 to 280,000	300,000 plus

Notes to the Salary Tables & Report:

1. Annual base salaries are in Australian dollars over a 12 month period exclude superannuation and any bonus or incentives.
2. The market rates, salary increments and bonus can vary between companies and positions. For specific salary advice, please contact us for additional information.
3. Titles can vary across different banks and financial institutions.

Compliance Salary Guide

	Analyst / Senior Analyst	Manager	Senior Manager	Director / Executive Manager	Head of	General Manager
BANKING						
Head of Compliance	NA	NA	NA	NA	NA	450,000 plus
Central Compliance	80,000 to 110,000	110,000 to 160,000	160,000 to 200,000	200,000 to 260,000	260,000 to 350,000	NA
Compliance Testing	80,000 to 110,000	110,000 to 160,000	160,000 to 200,000	200,000 to 260,000	260,000 to 350,000	NA
Monitoring & Surveillance	80,000 to 110,000	110,000 to 160,000	160,000 to 200,000	200,000 to 260,000	260,000 to 350,000	NA
Regulatory Compliance	80,000 to 110,000	110,000 to 160,000	160,000 to 200,000	200,000 to 260,000	260,000 to 350,000	NA

	Analyst	Associate / AVP	Vice President	Executive Director	Managing Director
INVESTMENT BANKING					
Head of Compliance	NA	NA	NA	NA	NA
Central Compliance	80,000 to 110,000	110,000 to 160,000	160,000 to 220,000	220,000 to 320,000	450,000 plus
Compliance Testing	80,000 to 110,000	110,000 to 160,000	160,000 to 220,000	220,000 to 320,000	NA
Control Room	80,000 to 110,000	110,000 to 160,000	160,000 to 220,000	220,000 to 320,000	NA
Global Markets Advisory (Equities / FICC)	80,000 to 110,000	110,000 to 160,000	160,000 to 220,000	220,000 to 320,000	NA
IB Advisory	80,000 to 110,000	110,000 to 160,000	160,000 to 220,000	220,000 to 320,000	NA
Monitoring & Surveillance	80,000 to 110,000	110,000 to 160,000	160,000 to 220,000	220,000 to 320,000	NA
Regulatory Compliance	80,000 to 110,000	110,000 to 160,000	160,000 to 220,000	220,000 to 320,000	NA
Research Compliance	80,000 to 110,000	110,000 to 160,000	160,000 to 220,000	220,000 to 320,000	NA

Compliance Salary Guide

	Analyst / Senior Analyst	Assistant Manager	Manager	Senior Manager	Director / Head of
PRIVATE BANKING / WEALTH MANAGEMENT					
Head of Compliance	NA	NA	NA	NA	280,000 plus
Regulatory Compliance	75,000 to 100,000	100,000 to 150,000	150,000 to 180,000	180,000 to 250,000	NA

	Analyst	Assistant Manager	Manager	Senior Manager	Director
INVESTMENT MANAGEMENT					
Head of Compliance	NA	NA	NA	NA	280,000 plus
Business Compliance	75,000 to 100,000	100,000 to 150,000	150,000 to 180,000	180,000 to 250,000	NA
Investment Compliance	75,000 to 100,000	100,000 to 150,000	150,000 to 180,000	180,000 to 250,000	NA

	Assistant / Officer	Assistant Manager	Manager	Senior Manager	Director
INSURANCE					
Head of Compliance	NA	NA	NA	NA	250,000 plus
Regulatory Compliance	75,000 to 100,000	100,000 to 140,000	140,000 to 170,000	170,000 to 240,000	NA
Distribution Compliance	75,000 to 100,000	100,000 to 140,000	140,000 to 170,000	170,000 to 240,000	NA

Financial Crime Compliance

	Analyst / Senior Analyst	Manager	Senior Manager	Director / Executive Manager	Head of	General Manager
FINANCIAL CRIME COMPLIANCE						
Head of FCC	NA	NA	NA	NA	NA	400,000 plus
AML Advisory	80,000 to 110,000	110,000 to 160,000	160,000 to 200,000	200,000 to 260,000	260,000 to 350,000	NA
AML Transaction Monitoring	80,000 to 110,000	110,000 to 160,000	160,000 to 200,000	200,000 to 260,000	260,000 to 350,000	NA
Anti-Bribery & Corruption	80,000 to 110,000	110,000 to 160,000	160,000 to 200,000	200,000 to 260,000	260,000 to 350,000	NA
MLRO	80,000 to 110,000	110,000 to 160,000	160,000 to 200,000	200,000 to 260,000	260,000 to 350,000	NA
Sanctions	80,000 to 110,000	110,000 to 160,000	160,000 to 200,000	200,000 to 260,000	260,000 to 350,000	NA

Risk Salary Guide

	Analyst / Senior Analyst	Manager	Senior Manager	Director / Executive Manager	Head of	General Manager
RISK						
Head of Risk	NA	NA	NA	NA	NA	350,000 plus
Credit Risk	80,000 to 110,000	110,000 to 140,000	140,000 to 180,000	180,000 to 240,000	240,000 to 300,000	NA
First Line Risk	80,000 to 110,000	110,000 to 150,000	150,000 to 200,000	200,000 to 260,000	260,000 to 350,000	NA
Market Risk	80,000 to 110,000	110,000 to 160,000	160,000 to 200,000	200,000 to 250,000	250,000 to 330,000	NA
Operational Risk	80,000 to 110,000	110,000 to 150,000	150,000 to 200,000	200,000 to 260,000	260,000 to 350,000	NA
Technology Risk	80,000 to 115,000	115,000 to 160,000	160,000 to 200,000	200,000 to 260,000	260,000 to 350,000	NA

Our Firm

Bowen Partners is an executive search and talent development firm. With offices in Australia (Melbourne & Sydney), Hong Kong and Singapore, we are true experts in identifying talent within Audit, Compliance and Risk across Banking & Financial Services. Our success is driven by in-depth market knowledge and the personalised, long-term relationship we develop with you.

Our entrepreneurial spirit drives us to explore all possible avenues to identify the best talent in the market for our clients while presenting a wide range of opportunities to those looking to make their next career move.

Working with our clients, we believe every assignment is unique, yet five fundamental pillars are core to our working relationship with you:

- Listen
- Understand
- Consult
- Open appraisal
- Deliver the best talent

We are passionate about talent development and believe in assisting our clients in establishing appropriate succession planning and team development programs; while coaching individuals to develop their leadership skills further.

Our Services & Areas of Expertise



Executive Search

- Retained Search
- Market Mapping
- Contingent Assignment
- Headhunting



Talent Development

- Succession Planning
- Team Development Programmes
- Leadership Programmes
- Staff Retention Strategies
- Executive Coaching

Audit

- Internal Audit
- IT Audit

Compliance

- Assurance & Testing
- Business Compliance
- Central Compliance
- Control Room
- Financial Crime Compliance & AML
- Investigations
- Investment Compliance
- Monitoring / Surveillance
- Product Advisory Compliance
- Projects
- Regulatory Compliance
- Research Compliance

Risk

- Business Continuity
- Business Risk
- Credit Risk
- Cyber Risk
- First Line Risk
- IT Risk
- Market Risk
- Operational Risk
- Risk Oversight
- Valuations

AUSTRALIA • HONG KONG • SINGAPORE

Melbourne

Collins Square, Level 23, Tower Five,
727 Collins Street,
Melbourne, VIC 3008
+61 3 9977 9666

Sydney

Aurora Place, Level 25,
88 Phillip Street,
Sydney, NSW 2000
+61 2 9256 2666

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