

The Ambition/ Chartered Secretaries Australia Working Practices Survey 2006



CHARTERED SECRETARIES
AUSTRALIA

Leaders in governance

ambition

Executive Summary

The latest Ambition/Chartered Secretaries Australia Working Practices Survey has revealed some interesting insights into the working life of the modern governance professional. Two hundred and eighty-one governance professionals from all parts of Australia and working across every type and size of organisation responded to the survey.

The resulting profile was that governance professionals are highly qualified (being predominately graduates with a professional qualification and often with a higher degree), work 50+ hours a week, earn \$136,000 per annum and are satisfied with their career as a Company Secretary.

Beyond the profile there are important changes in the corporate landscape which are shaping the future of the governance professional.

As Basel II, International Accounting Standards, CLERP 9 and Sarbanes-Oxley become ever more onerous and the importance of corporate governance increases within larger organisations, governance professionals will be further recognised as key mainstream executives in their own right.

With their high-level education, training and ethical independence, they are ideally placed to be the custodian of good corporate governance.

Gavin Houchell
Managing Director – Ambition Finance



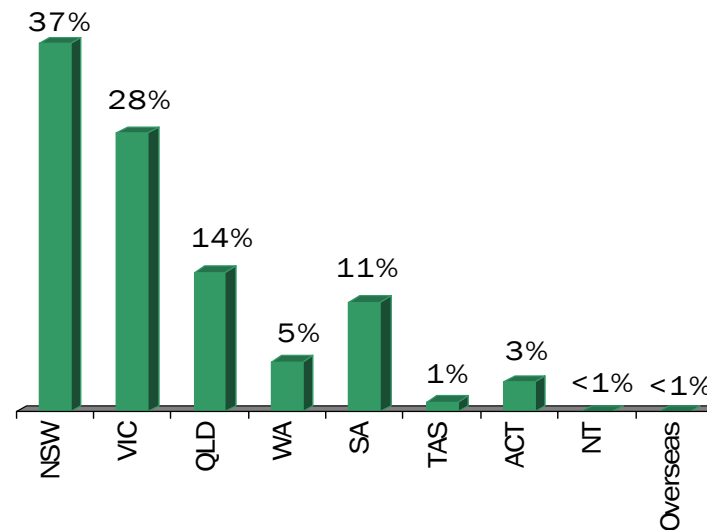
The Survey Results



Background & Profile

In which state of Australia do you work?

“Queensland shows strong growth but NSW and Victoria still employ the most governance professionals.”



Analysis: NSW and Victoria are the two largest states for corporate headquarters and so one would expect the respondents to be dominated by these two states. Queensland continues to demonstrate strong corporate growth and this is reflected by the 14% response rate. Interestingly, respondents from South Australia have almost doubled from our report in 2005, and have overtaken respondents from Western Australia.

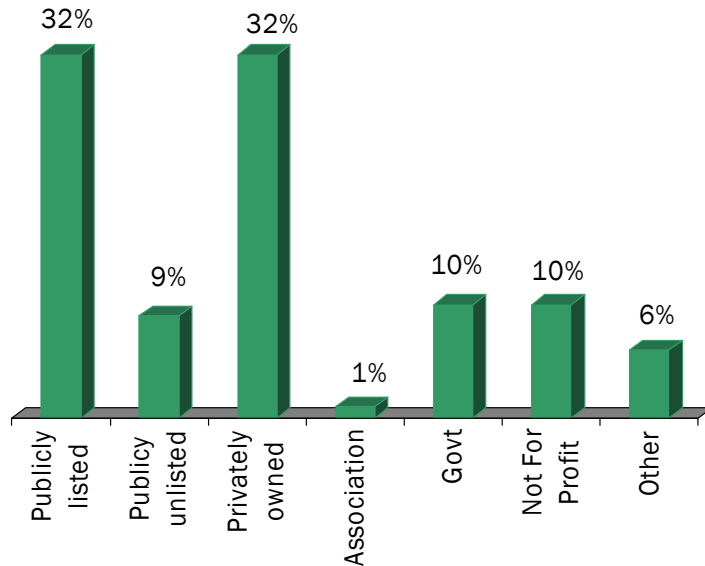


Background & Profile

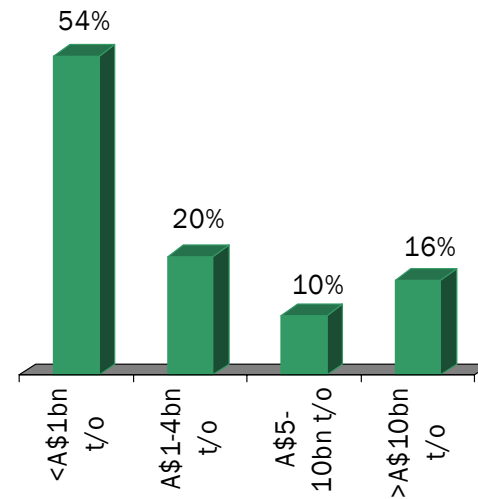
In which sector do you work?

“One in three governance professionals are employed by publicly listed companies.”

Sectors...



Size of PLCs...

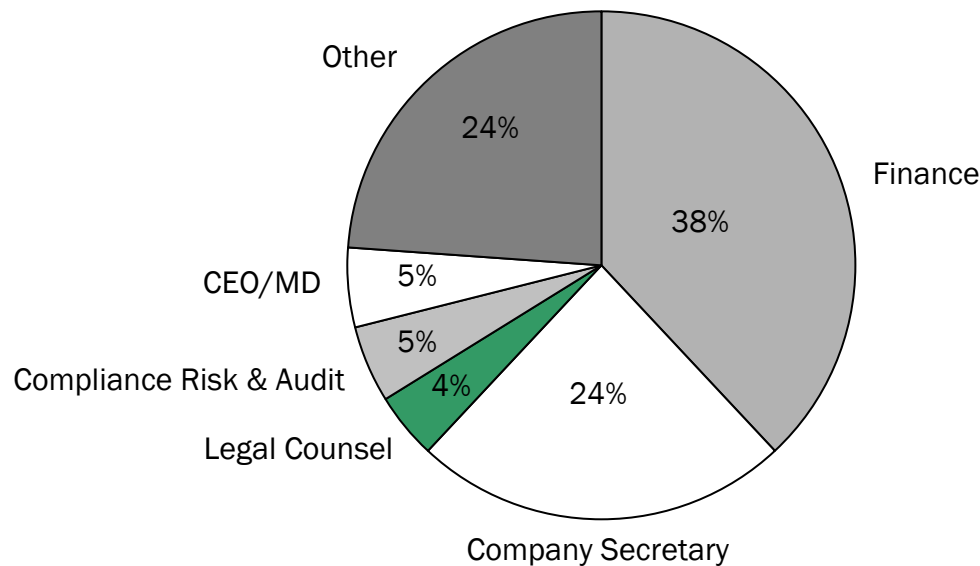


Analysis: Not surprisingly public and private companies, particularly those with complex corporate structures, comprise the majority of those employing governance professionals. Seventy three per cent are employed by private or public companies with one in three employed by publicly listed companies. However, Government organisations now employ one in ten governance professionals suggesting the growing awareness of the importance of governance in that sector.



Background & Profile

What is your position title?



Analysis: Finance, through the guise of the CFO, Finance Director, General Manager Finance, Company Accountant etc continues to be the main functional discipline through which the company secretarial responsibilities are fulfilled. General Counsel and the Legal function are steadily losing their company secretarial responsibilities, whilst it is noticeable in the smaller private companies that the company secretarial function can be combined with positions as varied as Technology, Marketing, Operations, HR and Property as well as the traditional finance roles.

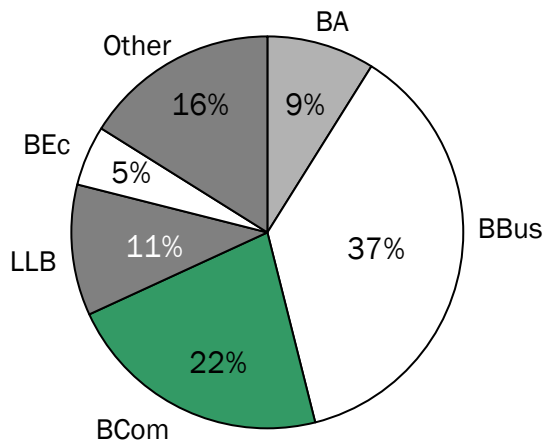


Background & Profile

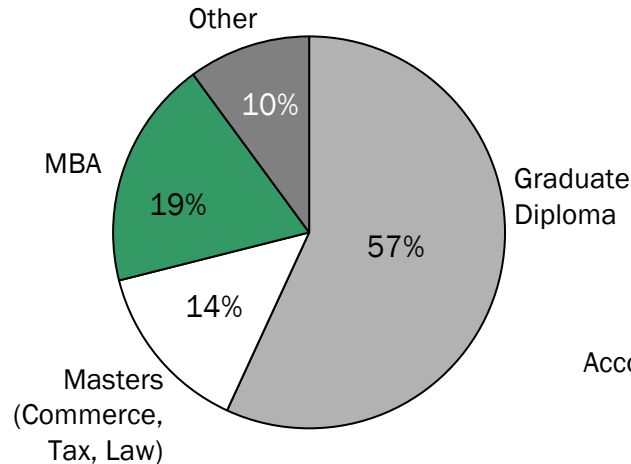
Do you hold a degree/higher degree/professional qualification?

“Governance professionals are highly qualified, predominately graduates with a professional qualification and often with a higher degree.”

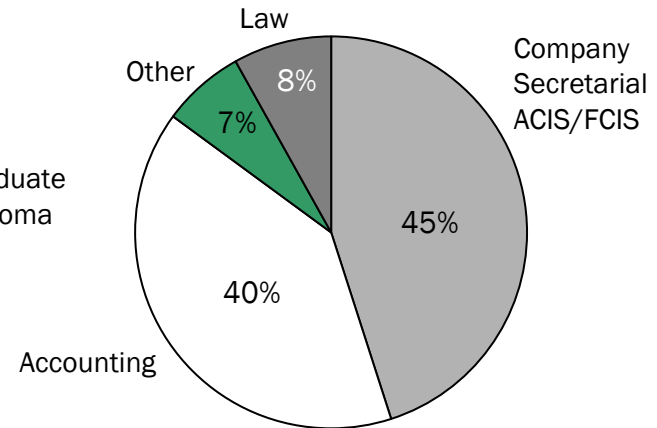
Of the respondents 91% hold a degree...



62% also hold a graduate diploma or higher degree...



Respondents hold the following professional qualifications in...



Analysis: Employers are recognising the importance of a well-qualified member of staff. As indicated later in this report, increasing numbers of employers include further study fees and flexible hours to complete studies, in their benefits to staff.

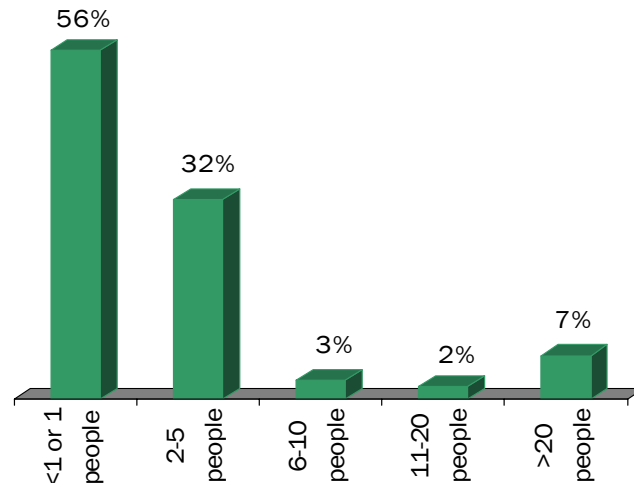
Key qualifications are the ACIS/FCIS and accounting qualifications such as CPA Australia and ICAA.



Work Practices

How large is the dedicated company secretariat in your team nationally?

“The vast majority of governance professionals fulfil their responsibilities alone or with the help of a small team.”



Analysis: The vast majority of governance professionals fulfil their responsibilities alone (56%) or with the help of a small team (2-5 people - 32%) which underlines the importance of CSA as a professional body that provides support, ongoing professional development and networking opportunities. Only 9% of respondents work in a large (more than 10) Company Secretarial team, which suggests that CSA should also be the conduit for members' networking.

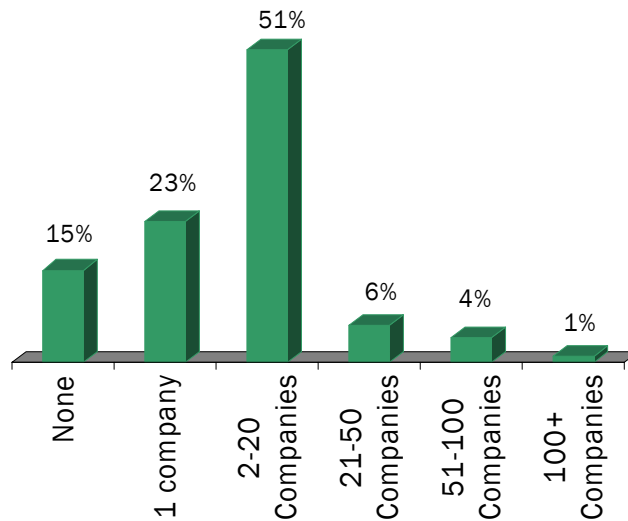
Interestingly, the amount of people carrying out the role solely has increased in 2006 – from 51% in 2005 to 56% in 2006 - suggesting that even though the workload for governance professionals has increased, the support they receive to carry out the role has not.



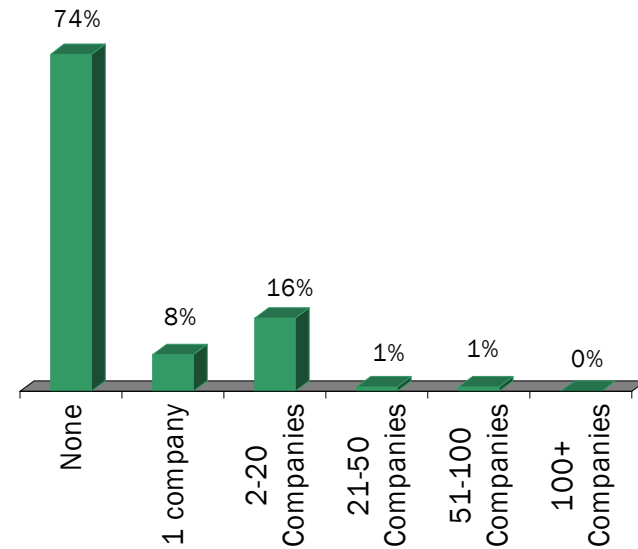
Work Practices

How many companies are you responsible for?

Domestic



International

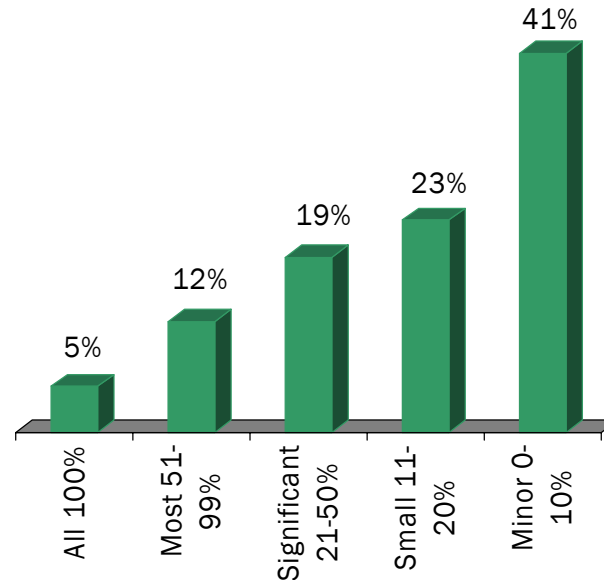


Analysis: Respondents to the survey are generally responsible for domestic companies only – 239 domestic and 73 International. They tend to handle a portfolio of 1-20 companies (both domestic & international), as the role becomes more complex with the number of companies handled and even more so for those with international responsibilities.



Work Practices

What approximate percentage of your day-to-day role is performed as a company secretary or governance officer?



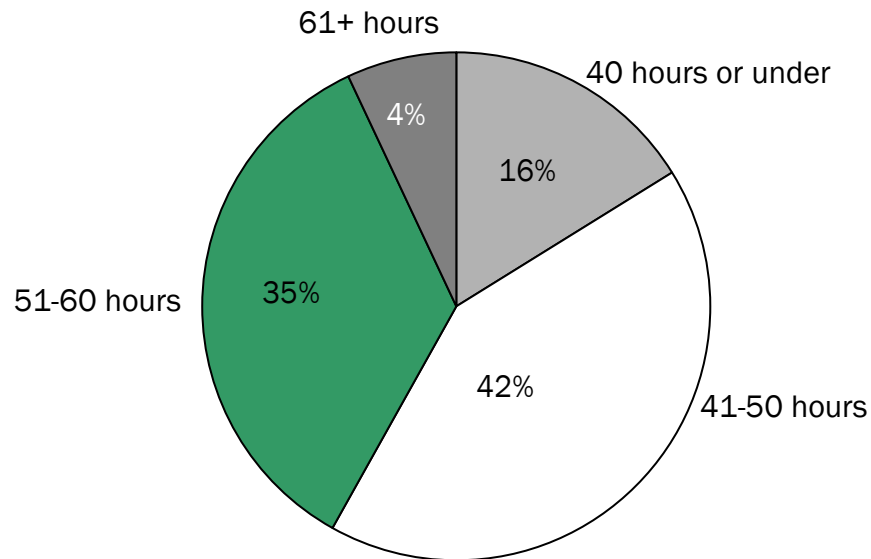
Analysis: The percentage of the day-to-day role has shifted from a small part to a minor part in 2006 – in 2005 41% responded that the company secretarial role was a small part of their day-to-day duties. The percentage of respondents whose daily role is all (100%) company secretarial duties has also dropped from 11% in 2005 to 5% in 2006 – further confirming the view that most modern governance professionals carry out the role secondary to their current role.



Work Practices

How many hours approximately do you work each week?

“There are not enough hours in the working day to get the job done.”



Analysis: A higher percentage of respondents are working longer hours in 2006. Thirty-five per cent are working 51-60 hours per week compared to 24 per cent in 2005, which indicates that governance professionals are being put under more pressure and have increasing responsibilities as the role becomes more visible. Also, the increasing number of people who are taking their work home has resulted in this longer working week. Interestingly, the figure for those working 61+ hours per week remains the same in 2006 (four per cent) which shows that there are still those who are working more than 12 hours per day, or adding to the hours by working at weekends.



Remuneration

What is your annual base salary?

“Governance professionals responding to this survey are paid an average of **AUD\$135,847** per annum as a base salary.”

Analysis: This is an average increase of \$7,000 from 2005.

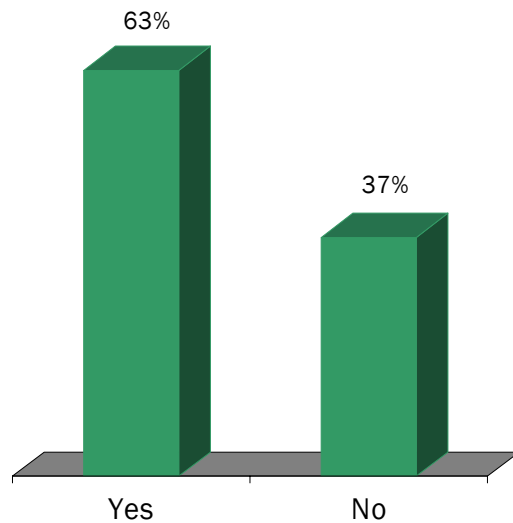
Although this survey is not the definitive guide to governance professional remuneration, and given the companies in this survey vary greatly in size and the positions vary greatly in their content and responsibility, it is nevertheless an indication that governance professionals are highly valued and well remunerated.



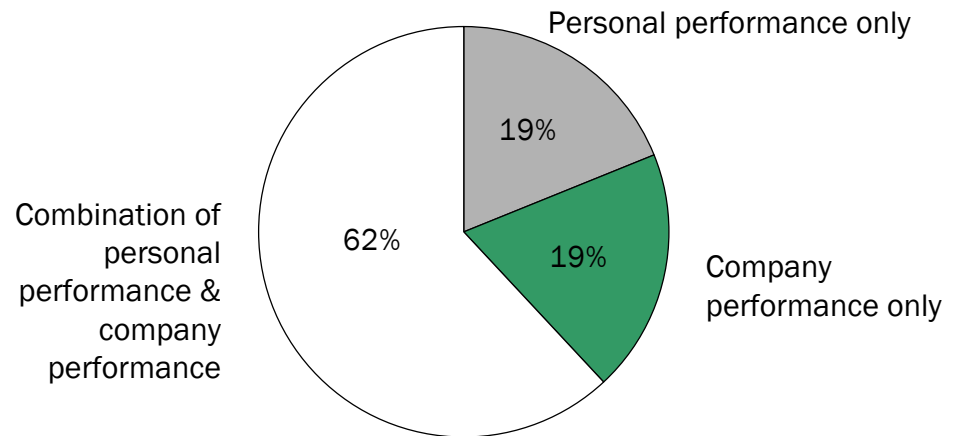
Remuneration

Are you eligible for a performance bonus?

“Governance professionals line up for bonuses.”



If so, is it dependent on....

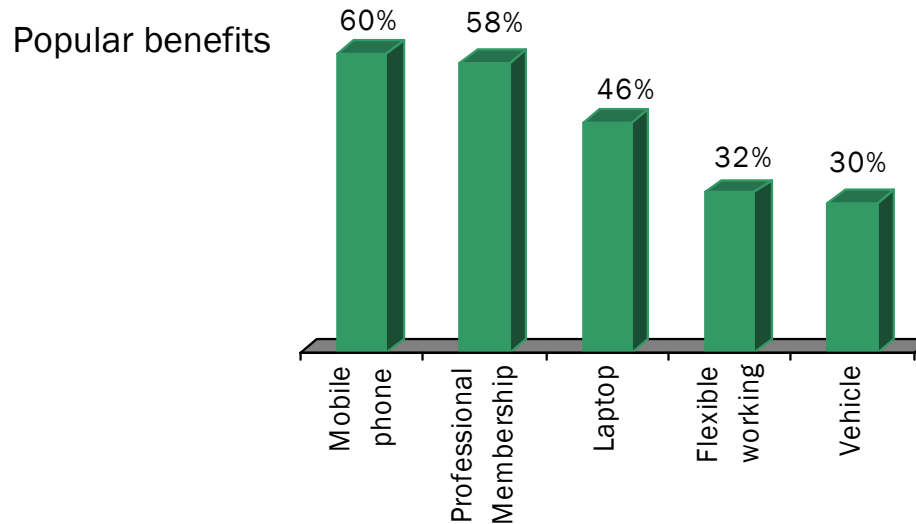


Analysis: The majority of respondents (63 per cent) are eligible for bonuses, although it's unclear whether the stand-alone governance professionals or those that combined the position with another function benefited. Of those who did benefit, it's clear that a combination of self-assessment and corporate-performance yardsticks is the most widely used tool in determining the bonus.



Remuneration

Which of the following benefits do you also receive?



Analysis: Professional membership fees and a company vehicle remain high on the list, although it's clear that more companies expect continual access to their employees with 60 per cent paying for mobile phones and 46 per cent for laptops, presumably for use at home and away from home. Governance professionals are also being encouraged to manage their own time by being offered flexible working arrangements – another reason for the increase in mobile phones and laptops – as the ‘workplace’ becomes ‘any place’, as long as communication is still achievable. Shares and share options remain a popular component of LTI plans for senior executives including governance professionals but appear further down the list from 2005. Other significant benefits include full fees for further study and management training, as employers are investing more in retaining talent, training and further development of their staff.



Remuneration

Which of the following benefits do you also receive?

Other benefits
not so popular

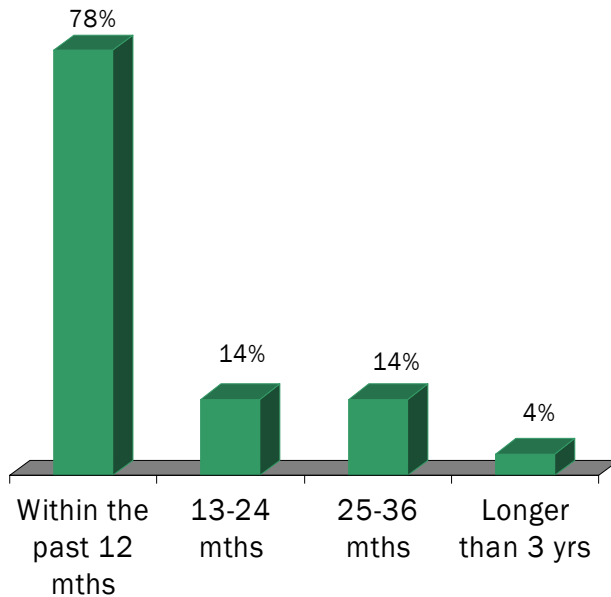
Home computer	25%
Management training	21%
Share plans/options	21%
Further study – full fees	21%
Additional Super	19%
Paid study leave	19%
Interstate travel	15%
Income protection insurance	15%
Further study – part fees	11%
Home telephone	10%
Additional leave without pay	10%
International travel	9%
Paid maternity/paternity leave	9%
None	7%
After hours travel	5%
Private health insurance	5%
Gym membership	3%
Subsidised meals	3%
Other	3%
Stress Management	2%
Secondments	0%



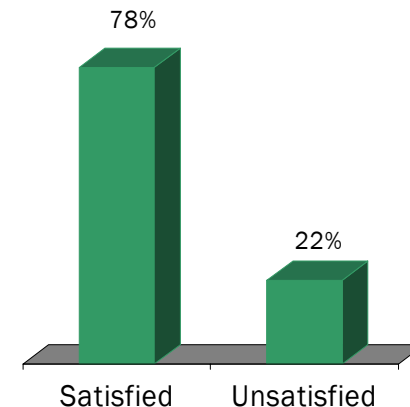
Salary Reviews

When was the last time you had a salary review?

“Most governance professionals have had a salary review within the past year and 78% were happy with that review.”



If you had a salary review within the past 12 months were you...

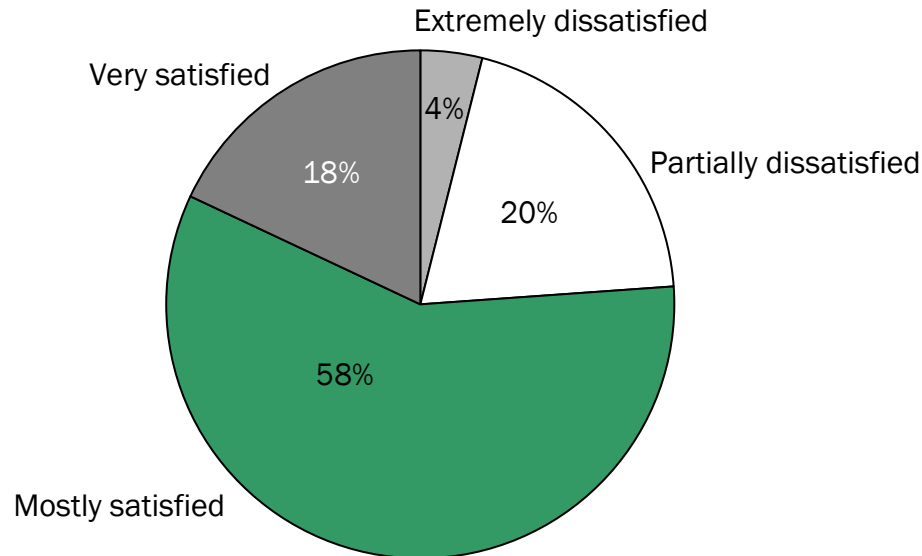


Analysis: Increasing compliance with corporate governance provisions have made governance professionals much more marketable. As a result, the majority of respondents have received a recent pay review and the majority of those (78%) were happy with this review. However, a significant number were not, which suggests that with a receptive market more governance professionals may be looking for new positions in the near future.



Career Satisfaction

How satisfied are you in your career as a company secretary/governance officer?



Analysis: Governance professionals are split in deciding how they feel about their career, according to this survey only 18 per cent are very satisfied compared to 27 per cent in 2005, those that are partially dissatisfied also rose from 8 per cent (2005) to 20 per cent (2006).



About Ambition

Ambition is a specialist careers and recruitment group with offices in Sydney, Melbourne, Brisbane and Parramatta as well as offices in Asia.

We work with individual governance professionals in planning and managing their career and finding appropriate introductions to leading organisations.

We also work closely with organisations to recruit and retain the best talent in the Accounting and Finance, Audit and Compliance and Company Secretarial disciplines.

For further information about this survey or Ambition please contact Gavin Houchell, Managing Director – Ambition Finance, on gavin.houchell@ambition.com.au or 02 9249 5000.

