

## International comparison of remuneration levels

Remuneration levels for skilled employees in Australia are competitive with those of other major developed nations. Despite the strong recent appreciation of the Australian dollar, salary levels for a range of skilled occupations are below those in the United Kingdom, United States, Japan, Hong Kong and Korea.

The relatively lower cost of living in Australia also means that salaries for highly skilled employees help to retain and attract talented employees. The Watson-Wyatt *2007 Global 50 Remuneration Planning Report* notes Australia's low inflationary environment over the last decade has meant that cost-of-living is less of a factor in determining salary levels than market trends and performance-based pay.

In 2008, Australia was ranked the fourth most competitive place to do business in the *KPMG Competitive Alternatives* study. Australia had the fourth lowest labour costs among the ten major industrialised nations, including the United States, United Kingdom, Japan, Italy, France, Germany and the Netherlands. The study rated Australia as the second most competitive location for total manufacturing costs and the third most competitive for transport costs.

International city comparisons of total remuneration: Gross Salary, 2007 (US\$) (1)

	Finance	Info technology	R&D	Manufacturing	Regional Headquarters	Funds Management
Country	Senior Acctt (2)	Computer Operations Manager (3)	Research Manager (4)	Manufacturing Manager (5)	Head of Admin (6)	Business Unit Manager (7)
London	102,099	123,629	159,880	211,238	297,608	410,399
Frankfurt	136,219	155,794	177,745	211,557	263,275	356,670
Tokyo	103,868	122,940	145,897	168,672	213,605	294,137
San Francisco	87,079	102,878	136,363	183,614	208,520	262,755
New York	85,554	101,074	134,076	180,496	204,963	258,243
Sydney	103,590	117,714	130,675	166,455	199,753	252,364
Hong Kong	70,928	89,157	106,548	123,374	151,299	208,028
Shanghai	49,067	59,184	77,066	112,443	149,440	201,744
Seoul	70,309	79,656	111,111	131,276	168,397	197,897
Taipei	80,440	95,738	114,163	136,355	163,083	195,276
Auckland	70,095	74,803	86,811	118,350	131,374	172,283
Singapore	62,581	72,596	112,406	126,631	147,926	170,165
Kuala Lumpur	32,061	36,977	50,796	63,299	83,858	109,279
Manila	23,670	29,798	42,602	50,443	79,813	97,646
Bangkok	24,891	30,727	37,964	49,352	63,583	78,142
Mumbai	13,812	21,252	28,532	41,843	46,427	70,209

### Footnotes:

1 Total remuneration data cover locally engaged employees, and refer to annual basic guaranteed salary (including typical cash and non-cash benefits, but excluding performance bonuses) and statutory employment payments (such as superannuation contributions, unemployment and health insurance)

2: Senior Accountant (five years) (Global Grade 13): Responsible for the preparation of income and balance sheet statements, consolidated and various other accounting statements and reports. Analyses financial reports, reviews and verifies the accuracy of journal vouchers, payroll records, sales and purchase ledgers, etc. May be specialised in :

- Financial accounting : including the preparation of statutory accounts and financial reporting; may also include payroll, tax and treasury.
- Management accounting : responsible for the budgetary control system and providing management with financial information for planning, forecasting and controlling costs.
- Cost accounting : responsible for analysing standards for manufacturing, subcontracting, labour costs, etc., including product costing and inventory control.

Is an experienced, qualified professional with strong problem solving and analytical skills and approximately 5 years experience, involved in processing accounting for control over transactions in the areas of Accounts Payable / Receivable. Works independently to a large extent. Will produce reports for local and corporate management and will typically have regional accounting responsibility and lead a team.

Responsible for staff in a 'team leader' type role.

3: Computer Operations Manager (Global Grade 14): Responsible for ensuring the availability and day-to-day operation, scheduling and technical support of the company's computer systems (in either a framework or networked (LAN, WAN) environment). Consults with other functions' employees on the proper integration and requirements for adequate and responsive data processing. Responsibilities will include the performance control of network operations, maintenance and technical support. Manages a team of technical specialists and operators.

4: Research Manager (Global Grade 15): Responsible for the theoretical development and technical adjustment of new or existing products. Formulates research programmes on the basis of products, the technological issues and the use of products and related matters. Transforms results of internal or external research activities into design and specifications of specific products. Deals with specific missions in scientific or engineering fields. Coordinates the various technical steps with the support of scientists and technicians. The complexity of the project and / or new product requires a high level of expertise in the relevant field and a broad experience.

5: Manufacturing Manager (Global Grade 16): Responsible for controlling a major single-site manufacturing operation, ensuring that production quality and cost targets are met. Duties include production and assembly, quality control, material handling, scheduling, etc. Monitors production processes and the effective use of manpower and equipment, and coordinates production operations with purchasing, sales, engineering, etc. Manages a large direct workforce or complex production process. Manufactured products require high scheduling efforts.

6: Head of Administration (Global Grade 17): Overall control of the general administration / corporate services function in a large multinational organisation with divisional and/or subsidiary companies. Responsible for the planning, development and implementation of policies, programmes and practices in support of the production, operating and marketing functions of the organisation. Provides counsel and assistance to other heads of function and to operating divisions, and develops the kind of support organisation needed to reach the company's goals and objectives. May be responsible for premises, insurance and Administration. Would normally manage a team through a structured department dealing with public and stockholder relations, legal and office services. Directs the development programmes and methods for the establishment of standards of performance and the evaluation of performance against these standards.

7: Business Unit Manager (Global grade 18): General management role with profit & loss responsibility for a business, service or product line. Has line supervision over one or more profit centres or business within the continent. Has strategic responsibilities covering finance, marketing and sales and maybe some manufacturing activities or R&D. Has full management and technical expertise in several functions.

Is responsible for a large number of employees. Generally reports to the Group / Regional CEO or VP. Will typically work in a matrix management organisation with dotted line reporting to the heads of corporate functions.

Source: IBM-PLI calculations based on Watson Wyatt - Global 50, June 2008.