

# Financial Services

**Environment Scan 2014**



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## About this Environment Scan

This Escan provides Innovation and Business Skills Australia (IBSA) with an opportunity to combine direct industry intelligence with statistical data on training and workforce participation. Through this process, skill needs and workforce development priorities are identified for Australia's innovation and business industries. The information is used by IBSA to advice government on refinements to training packages to meet the needs of industry and identify investment priorities for Australia's vocational education and training (VET) system.

This is the sixth year in which Industry Skills Councils (ISCs) have been required to prepare an Escan. The Escan aims to give readers an understanding of the factors currently shaping and impacting on the IBSA industries and their workforce development, IBSA's industry coverage comprises enabling skills and functions that are relevant across a wide range of industries. The Escan is consequently an important contribution to thinking on skills and workforce development across the board and will be of interest to many readers within government and industry

# Executive summary

The Financial Services industry covers all manner of money management services including banks, building societies and credit unions, insurers, superannuation providers, funds' managers, accountants and bookkeepers, financial planners and advisers, debt collectors and credit agencies.

Australia's Financial Services industry is large, diverse and growing as it expands its product selection to cater to growing consumer diversity. The industry has assets of nearly \$5.6 trillion – nearly four times nominal GDP. Superannuation funds, local banks and insurers dominate the industry's revenue base. However, even the smaller sectors are still reasonably high earners, in relative terms.

The health of the Financial Services industry is closely tied to the general economic and financial market conditions. As such, the industry around the world has experienced a particularly challenging five years. The global nature of the financial system meant Australia was unable to avoid the effects of the US economic downturn, which was followed by a stricken European economy. Business and investor confidence has been erratic up until 2013. Although improving, the global economy has yet to fully stabilise. Once this period of adjustment ends, economic growth in Australia is expected to accelerate. Enterprises in the Financial Services industry are expected to have a key role in financing the country's expansion in the next few years.

The Financial Services industry is positioning itself to respond to a range of demographic, economic, regulatory, social and environmental trends, including:

- the rise in economic power in emerging Asian markets
- the growth of superannuation and shift away from bank deposits, which may require adjustments to the roles of banks and super funds and the development of new financing techniques
- increasing customer expectations in relation to simplicity, transparency and speed of transactions and the ever increasing move towards online and mobile technology
- the transformation of 'big data' into useable information for business development
- harmonisation, standardisation and globalisation of markets and regulatory arrangements, and
- the management of 'natural capital risks'; the risks associated with environmental externalities such as damages from climate change, pollution and depletion of natural resources.

Despite its value to the economy, the Financial Services industry only employs around 552,000 workers, or 4.7 percent of the Australian workforce. Most people in the industry are employed by the banking sector or accountancy firms. Accountants, accounting clerks and bookkeepers are the most prevalent occupations in this industry. Together, these three occupations employ 435,000 people. Other common financial services occupations are bank workers, finance managers, investment advisors and managers, insurance, money market and statistical clerks, credit and loan officers and financial brokers.

Although there are slightly more women than men working in the Financial Services industry, men tend to occupy the more powerful and highly paid positions. This situation is not unique to this industry but it is particularly pronounced in Financial Services. This industry has the second widest pay gap of all industries at 31.4 percent, close to double the average pay gap.

Many banks and other financial services organisations are still undergoing cost-cutting measures and are hiring cautiously. Adaptable individuals, who

can undertake multiple roles, as well as people with strong communication and interpersonal skills and high level analytical skills are in strong demand by financial services organisations.

As economic conditions improve and the employment market turns, employees are expected to have more power and choice over their working environment. They may be seeking a better understanding of their employment options and a greater say in how work is assigned, assessed and rewarded. A key trend in workplaces is the increasing use of social media and social analytics to strengthen decision making and increase workforce collaboration.

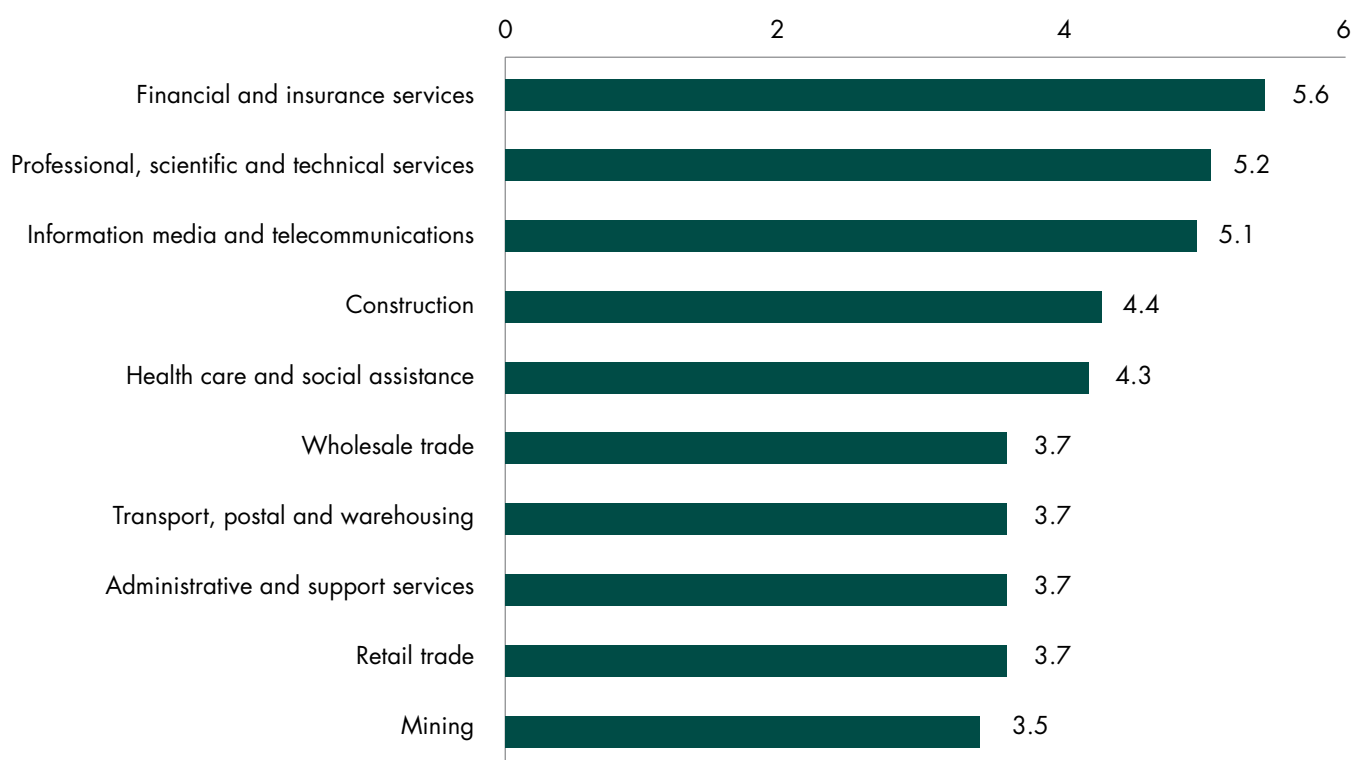
Research and consultations indicate that a balanced set of soft skills should be a focus for future workforce development. In particular:

- Developing strong leadership and management skills, including a focus on:
  - + first time managers
  - + mentoring and coaching skills
  - + interpersonal and human resource skills to create a flexible workplace that offers work/life balance, and
- + a strategic understanding about technology in order to understand which of the various products and platforms should be adopted and how they should be deployed within the organisation.
- Multiskilling staff so that they have sufficient breadth of knowledge to work across a business.
- Improving communication and interpersonal skills across the organisation but particularly for frontline staff who need to manage higher customer service expectations and more complex inquiries.
- Fostering a global approach by recognising and respecting different perspectives and broadening and deepening employees understanding of other cultures, languages, political, economic and social systems, particularly those of Asian countries, so that firms can develop collaborative relationships and connections with others in the region.
- Developing social media literacy, including creative and technical skills, as well as understanding the ethical and legal implications of social media use and how to leverage social media for business objectives.
- Developing strong analytical skills to manage increasing amounts of data available to financial services companies. Skilled analysts are required who can decipher meaning beyond the raw data and effectively communicate what the data is saying to aid decision making.
- Working with a tighter compliance regime, including upskilling staff to understand obligations under new compliance arrangements, finding space for innovation within a more tightly controlled environment, ensuring sufficient numbers of skilled financial auditors and compliance experts are available within the industry, and developing staff and leaders who understand and instinctively apply the principles of integrity, objectivity, competence, fairness, confidentiality, professionalism and diligence.

# Industry intelligence

The Financial Services industry covers all manner of money-management services including banks, building societies and credit unions, insurers, superannuation providers, funds' managers, accountants, financial planners and advisers, debt collectors and credit agencies.

**Figure 1: Australia's real gross value added – percentage growth by industry's achieving above average growth**

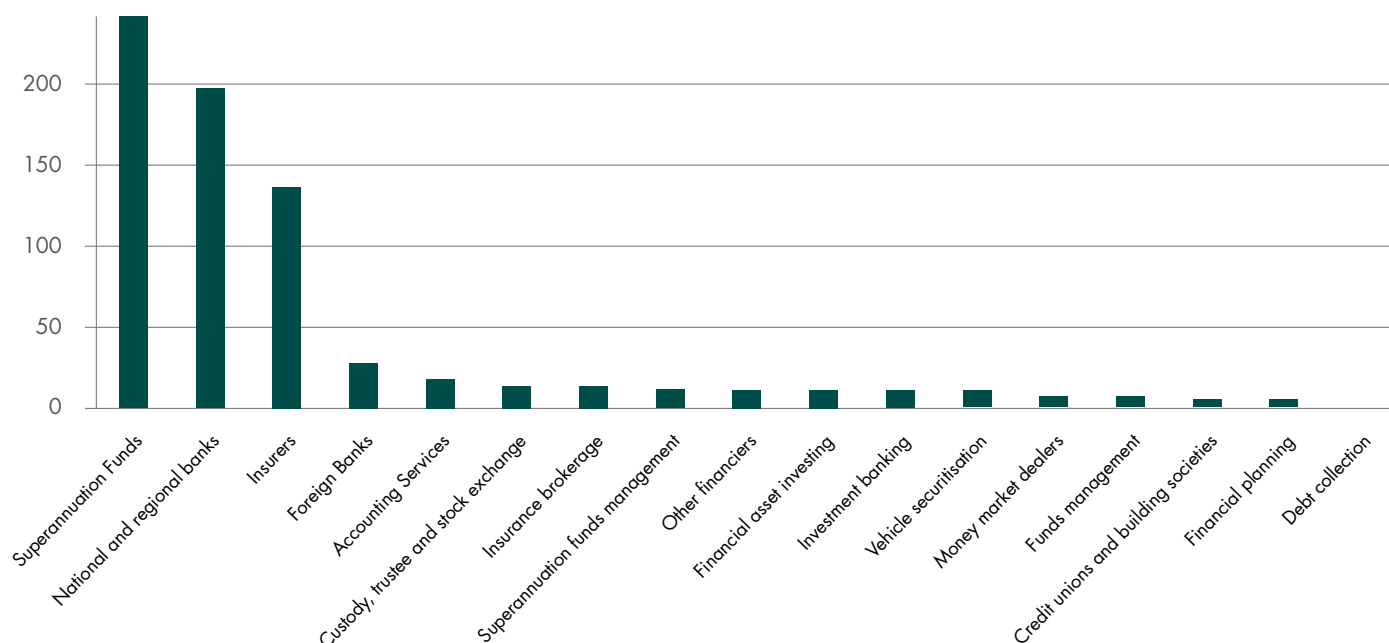


Source: Australian Bureau of Statistics, Australian National Accounts: National Income, Expenditure and Product, Time Series Workbook, cat. no. 5206.0, Table 6. Gross Value Added by Industry, Chain Volume Measures (released 05.06.2013); Austrade

## The Financial Services industry

Australia's Financial Services industry is large, diverse and growing as it expands its product selection to cater to growing consumer diversity. It offers a wide range of financial services and investment products, including:

- business loans, home loans and personal loans
- wealth management and portfolio investment management services
- investment banking and asset brokerage services
- money market dealing
- accounting and book keeping services
- financial management and investment advisory services
- mortgage brokerage services
- insurance services (life, health and general insurance) and insurance brokerage
- industry, corporate, public and self-managed superannuation funds operations
- stock exchange, share registry and trustee operations
- debt collection services, and
- credit agency services.

**Figure 2: Financial Services industry revenue 2012-13 (\$bn)**

Source: IBISWorld, Industry Reports 2013: K6221b: National and Regional Commercial Banks in Australia; K6221b: Foreign Banks in Australia; K6222: Building Societies in Australia; K6223: Credit Unions in Australia; K6230: Securitisation Vehicles in Australia; K6310: Life Insurance in Australia; K6321: Health Insurance in Australia; K6322: General Insurance in Australia; K6330: Superannuation Funds in Australia; K6411b: Investment Banking and Securities Brokerage in Australia; K6411b: Mortgage Brokers in Australia; K6419a: Funds Management Services in Australia; K6419b Financial Planning and Investment Advice in Australia; K6419c Custody, Trustee and Stock Exchange Services in Australia; K6419d Superannuation Funds Management Services; K6420 Insurance Brokerage in Australia; M6932 Accounting Services in Australia.

For the year to December 2012, the Financial Services industry was the second biggest contributor national output, accounting for 10.3 percent of gross value added by industry, only slightly behind mining at 10.7 percent and well ahead of other high value adding industries, such as construction

at 7.9 percent and manufacturing at 7.6 per cent. The Financial Services industry has experienced the strongest growth of any Australian industry in the past two years<sup>1</sup> – see Figure 1.

Australia's Financial Services industry has assets of nearly \$5.6 trillion – nearly four times nominal GDP – and it is

still growing. According to Austrade, the size of the industry reflects the sophistication and depth of the country's financial markets, which have benefitted from 22 years of uninterrupted economic growth, sound economic management, strong legal and regulatory systems and a progressive, business friendly climate.<sup>2</sup>

<sup>1</sup> Austrade (2013) Why Australia: Benchmark Report Update June 2013.

<sup>2</sup> Ibid.



Austrade's assessment is backed by the Swiss-based Institute for Management Development, which rated Australia as having the lowest financial risk factor in the world and the second strongest financial regulatory system.<sup>3</sup> The World Economic Forum's Financial Development Report 2012 ranked Australia fifth of 62 of the world's leading financial systems and capital markets, ahead of Canada, Japan, Switzerland, the Netherlands, Germany and France. Australia was also rated fifth in terms of non-banking financial services.<sup>4</sup>

There is significant variation across the size of the different sectors within the industry. Figure 2 shows how superannuation funds, local banks and insurers dominate the industry's revenue base. However, the smaller sectors are still reasonably high earners for the economy, in relative terms.

The health of the Financial Services industry is closely tied to the general economic and financial market conditions. As such, the industry around the world has experienced a particularly challenging five years. The global nature of the financial system meant Australia was unable to avoid the effects of the US economic downturn, which was followed by a stricken European economy. Business and investor confidence has been erratic up until 2013. Although improving, the global economy has yet to fully stabilise. Once this period of adjustment ends, economic growth in Australia is expected to accelerate. Enterprises in the Financial Services industry are expected to have a key role in financing the country's expansion.

In the next five years, revenue across the industry is expected to grow, albeit modestly. Consumers are expected to remain cautious, due to a sluggish property market and more conservative attitudes to borrowing, following the

financial downturn. These issues, combined with low public spending, dampened demand for commodities from China, higher borrowing costs and greater regulation are all factors that may keep growth in this industry slow for some time to come. However, the steady flow of funds into superannuation is expected to continue to sustain the industry.<sup>5</sup>

Virtually all households and businesses consume financial services, so the location of businesses tends to correspond to that of the population. For services such as banking there is a slight bias towards the less-populated states and territories because more branches per capita are required to service a more dispersed population. However, services such as insurers and fund managers do not have extensive branch networks and tend to have their major offices located in the financial hubs of Sydney and Melbourne. Consequently, NSW and Victoria have a larger share of these types of businesses.

The Financial Services industry is highly regulated and in recent years has been subject to intensified regulatory requirements. Regulatory changes can have a pronounced effect on demand for services and the industry's dynamics. A key change has been the introduction of the Future of Financial Advice reforms in 2012. These reforms ban commissions and increase responsibilities for financial advisors to act in the best interests of clients. Other new regulations are expected to come into effect over the next five years, which aim to address depositors' security and may have an impact on bank profitability. A new regime for the regulation of credit rating agencies is also being introduced. Recent new regulations increasing compulsory contributions for superannuation may also have a significant effect on the industry as they are rolled out.

Businesses in this industry are strongly affected by technological change. Deloitte Access Economics estimates that 65 per cent of Australia's industries are going to experience significant disruption from digital technology in the next five years, with the Financial Services industry near the top of the list. Deloitte lists five key digital forces, which are expected to continue to challenge financial services firms. They are:

- **The cloud** – The cloud presents new business opportunities for financial services. It allows them to offer products that are fully embedded within the services of a separate institution and supported by the organisation's website, branch and call centre systems. For example, banks are already partnering with retailers to provide an integrated online experience.
- **Mobile** – Smart businesses are launching applications (apps) that take advantage of the willingness of smartphone users to engage, experiment and provide real-time feedback.
- **Social** – Financial institutions are flattening their organisations to increase transparency, improve customer service and partner in a 'social' way with existing, successful networks.
- **Analytics** – Harnessing and interpreting large volumes of data allows information to be made personal allowing firms to foster a more meaningful relationship with customers.
- **Cyber** – Customers need to be able to trust their financial institutions to quickly detect, isolate and contain a cyber threat when it occurs. To counteract cyber criminals, financial institutions are moving from being reactive to proactive, using intelligence from both internal and external sources.<sup>6</sup>

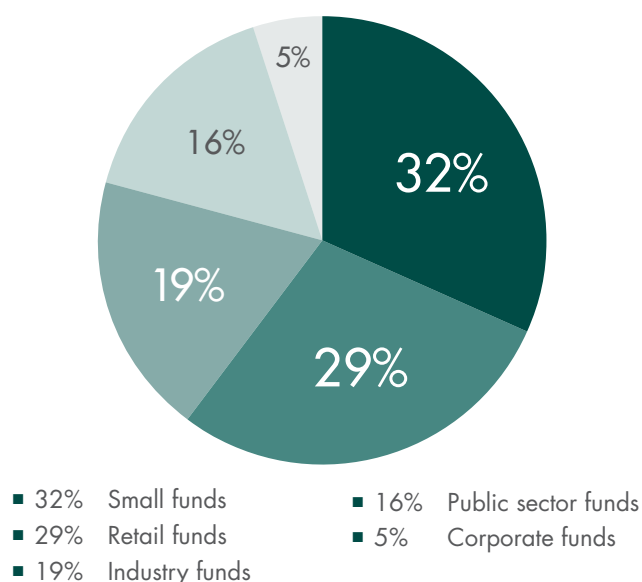
3 Austrade, 2013, Why Australia: Benchmark Report Update June 2013.

4 World Economic Forum, 2012, The Financial Development Report 2012.

5 IBISWorld, Industry Report K6200: Finance in Australia industry report, 2013.

6 R. Hillard, 2013, Banking Technology Trends 2013.



**Figure 3: Superannuation funds product and services segmentation 2012–13**

Source: IBISWorld, Industry Report K6330: Superannuation Funds in Australia, May 2013

More detail on the products, services and outlook for each of the key financial services sectors is outlined below. The data is drawn from the latest IBISWorld industry reports, unless otherwise referenced.

## Superannuation funds

The Superannuation Guarantee<sup>7</sup> currently requires employers to contribute funds equal to at least 9.3 percent of their employees' incomes to the employees' choice of super fund. This system has resulted in the Australian superannuation fund industry growing to become the fourth largest private pension fund market in the world, with almost \$1.4 trillion in assets as at June 2012. Starting in 2013, regulatory changes are expected to cause the Superannuation Guarantee to increase gradually to 12.0 percent by 2020. Together with better economic conditions, this change is expected to result in industry revenue growing by an annualised 11.1 percent over the next five years, to total \$391.8 billion in 2017–18.

There are currently 324 super funds in Australia with more than five members and close to half a million self-managed funds. Super funds have been consolidating and may continue to merge to realise cost efficiencies and lower fee structures. However, strong growth in the number of self-managed super funds means industry concentration is expected to remain low. The relative market share of each different type of fund is illustrated in Figure 3. Note that 'small funds' are primarily self-managed super funds.

Super funds compete on quality of service to members and fund sponsors, ie employers. Quality of service includes having staff with market knowledge and experience and giving individuals timely and easy access to account information. It is vital for superannuation funds to maintain good customer relations with members. This has become even more important since the introduction of fund choice in 2005, allowing employees to choose the fund into which their contributions are made.

Two key developments that are expected to have an impact on the shape of the sector in coming years are:

- **Increasing regulation** – Stronger reforms have been introduced to better align incentives and structure superannuation to better serve the interests of account holders. New regulations mean regulators may need to become more proactive in keeping industry participants in check and reporting and financial requirements are expected to become more stringent over the next five years. Under the Stronger Super reforms, all superannuation funds are required to offer a low-fee MySuper product from July 2013. SuperStream is another reform that began in 2013. SuperStream aims to create more efficiency and transparency in the industry through new data and e-commerce standards, the use of tax file numbers and other administrative processes. It is estimated that savings of up to \$1 billion annually may be achieved from these reforms.<sup>8</sup>
- **The rise of self-managed funds** – Self-managed super funds give people the ability to manage their own retirement savings at a lower cost. These products have become particularly popular and are expected to continue to grow in demand as the population ages. The 50 to 59-year-old group accounts for the largest share of self-managed superannuation fund members because people in this age group generally have a bigger asset pool and higher income so can justify operating a self-managed super fund. The ability of a superannuation institution to adapt to an ageing population and respond to the challenges presented by the growth of the self-managed superannuation fund segment may be vital for its continued success and growth.

<sup>7</sup> Industry Super Funds, 2013, [http://www.industrysuper.com/employers\\_legal-obligations.aspx](http://www.industrysuper.com/employers_legal-obligations.aspx)

<sup>8</sup> Australian Government, 2013, Stronger Super: Overview of Reforms.

## Superannuation funds management

Superannuation funds management is a subset of the broader funds management sector. Superannuation funds outsource their investment management processes – the buying and selling of assets – to this sector. The prominence of superannuation in Australia means superannuation funds management is big business. An estimated 44.3 percent of the \$1.27 trillion in funds being managed by investment managers were in the form of superannuation savings.

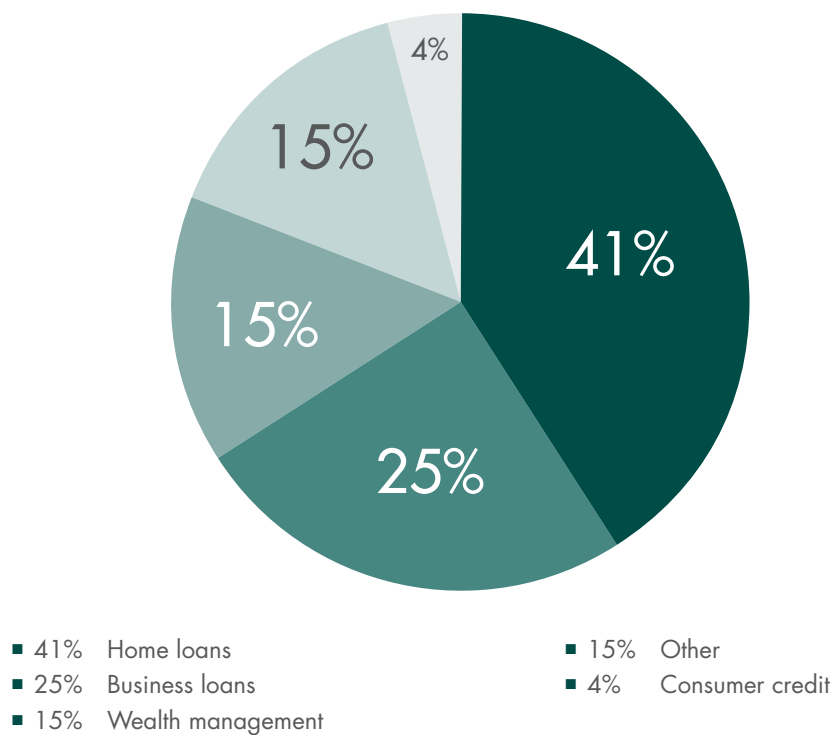
A threat to the sector is the increasing number of internal managers employed by superannuation funds. As superannuation funds' balances grow larger, to a size where it is efficient to manage internally, these entities may stop outsourcing to funds' managers. Nearly 10.0 percent of superannuation entities that have greater than \$50 million in assets now invest their assets directly, compared to 6.3 percent in June 2006.

A key opportunity for funds' managers, however, is the rapidly growing self-managed fund market. For self-managed fund trustees, the monitoring of their investments can be onerous, which is where superannuation funds' managers can help by providing the trustee with investment platforms.

Improved economic conditions, along with increases in the superannuation guarantee, are expected to provide a boost to superannuation contributions, which may add to the value of superannuation, with benefits flowing onto funds' managers. IBISWorld forecasts that industry revenue may increase by 5.2 percent per annum in the five years through 2017–18, earning \$13.3 billion by the end of this period.

Strong qualifications, in-depth experience, good product knowledge, access to a strong research base, and strong marketing skills may assist funds' managers in attracting business. Good communications systems are also important to reduce the cost of delivering services.

**Figure 4: Banks, building societies and credit unions: product and services breakdown 2012–13**



Source IBISWorld, *Industry Report K6200: Finance Industry in Australia*, November 2013.

## Banks, building societies and credit unions

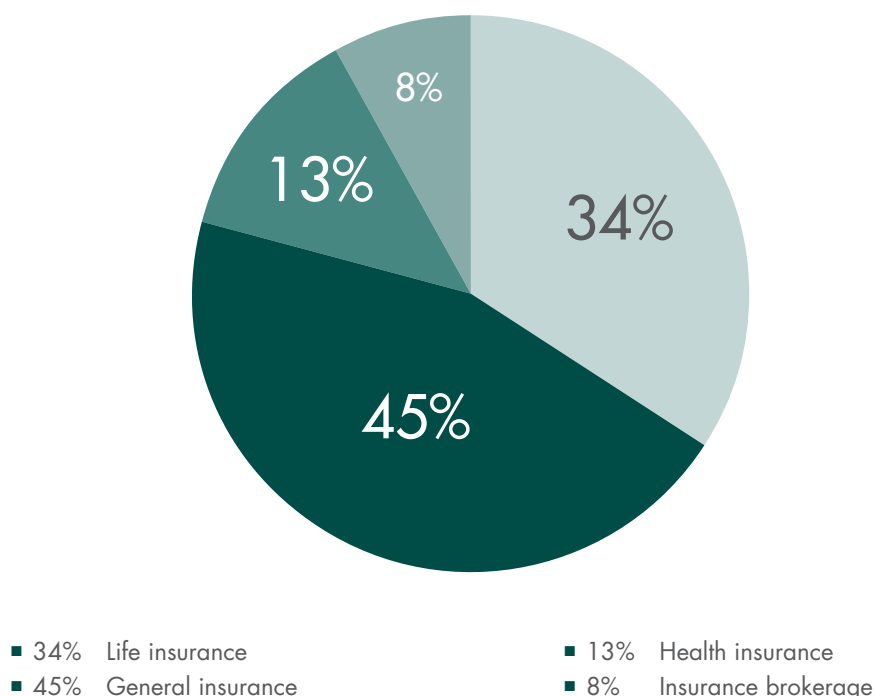
Home loans, business loans and personal loans are the major activities of this sector. In addition to interest on loans, banks also generate revenue from fees and commissions charged for the establishment, processing and maintenance of loans. The sector also offers deposit and transaction products and many of the larger banks offer wealth management services, including superannuation and investment advice. Figure 4 gives a breakdown of the main products and services for this sector.

This sector is dominated by the 'big four' domestic banks, which hold a combined market share of 33 percent. The banking segment, including all domestic and foreign banks, has a market share of around 80 percent.

The Australian banking system has remained solid, during a time when other global banking systems have faltered. However, stagnant demand for housing;

conservative business and consumer spending; contraction of retail and manufacturing; and high competition within the sector means that revenue may not grow as strongly as pre-global financial downturn levels. Annual growth of 5.2 percent is expected over the next five years to 2017–18.

Asian banks are increasingly establishing a presence here, as Australia continues to form trading ties with significant economies such as China and India. At the same time European banks have been scaling back their presence. The growth in Asian banks is being aided by government reforms that have sought to increase competition in retail banking. However, revenue growth has been subdued overall for foreign banks because they are more reliant on business lending, which has remained depressed over the past two years. This sector is expected to continue to contract due to the continuing low interest rate environment. Increased brand awareness among

**Figure 5: Revenue of segments within insurance sector**

Source: IBISWorld Industry Reports: K6310: Life Insurance in Australia; K6321: Health Insurance in Australia; K6322: General Insurance in Australia; K6420: Insurance Brokerage in Australia.

Australia's growing migrant community will offer opportunities for foreign banks in the future.

Building societies and credit unions provide largely the same core products and services as banks; however, they tend to offer a narrower range, traditionally aiming at mortgage lending, which makes up around 90 per cent of their portfolios. This segment also tends to focus on the consumer market, rather than commercial customers. Pressure to remain competitive in a rising cost environment has brought consolidation for both building societies and credit unions. Only 10 building societies and 91 credit unions remain in Australia. Basel III regulations introduced in 2013 require banks to have a higher capitalisation ratio, resulting in higher funding costs. As the banks pass on these costs to customers, credit unions and building societies are expected to become more competitive.

Technology is having an enormous impact on the banking sector. Banks are racing to develop new internet and mobile-based banking services and automating many of their functions. The rise of online banking has seen the nation's branch network shrink for the first time in eleven years. Suburbs and country towns across Australia have lost 130 bank and credit union branches over the past twelve months as customers migrate away from traditional banking platforms.<sup>9</sup>

Government reforms have deliberately increased banking competition to assist smaller banks, credit unions, building societies and non-bank lenders to access funds at a similar cost to the big four banks. Exit fees have been banned and new bank account switching regulations were enforced from 1 July 2012. Banks have tried to hold on to their market share by diversifying into new areas and outsourcing some of their activities.

This has resulted in a new type of 'deconstructed' banking firm, one that is no longer vertically integrated. For example, a bank may subcontract the administration of its credit card operation, while at the same time exporting its risk analysis capacity to other banks. For building societies and credit unions, continued focus on customer satisfaction and loyalty is expected to be key to success in growing existing markets and attracting customers away from banks in the wake of government reforms.

### Insurers and insurance brokers

The insurance sector is made of four main segments:

- health insurance, which provides private insurance cover for hospital, medical, dental, pharmaceutical and funeral expenses or costs
- life insurance, which provides designated beneficiaries a sum of money in the event of the insured individual's death, disablement, or serious illness or injury
- general insurance, which provides protection to individuals, households and businesses from the financial loss associated with events such as car accidents, floods, break ins and malpractice, and
- insurance brokers, which act as impartial agents in selling insurance policies and also often provide risk management consulting and claim assessment and adjustment services.

The largest segment in terms of annual revenue is general insurance, which accounts for almost half the revenue earned by the sector. See Figure 5.

Financial instability has undermined insurers' investment earnings in recent years. However, this was somewhat offset in the life insurance segment by a spike in demand for income protection, death, disability and

9 McMahon, 'Australia loses 130 bank and credit union branches in 12 months'. 21 August 2013, News.com.au.

### Insurance and Insurance Brokers (cont.)

illness policies from consumers feeling vulnerable in the turbulent economy. In the next five years, in all segments, better conditions are predicted. Life and health insurance are looking brightest with an expected annual growth of 5.8 percent and 5.5 percent respectively due to a better investment environment, greater demand for insurance and higher premium prices.

Insurance brokers are expected to grow at a lower 3.4 percent. A threat to brokers is the increasing competition from banks and insurers choosing to use direct distribution channels, such as online sales and call centres. Brokers are seeking to guard their market share by providing knowledge-intensive services to augment insurance policy sales and focusing more on the commercial market, which is more profitable.

The general insurance segment may only grow at 2.7 percent and may be subject to stiff price competition in coming years.

An analysis of industry trends to 2020,<sup>10</sup> highlighted the following issues impacting on the sector in coming years:

- Online environment – Internet, mobility and social networking have created a new generation of customers who demand simplicity, speed and convenience in their interactions. Customers may be more willing to buy 'direct' using their online and offline

'trust' network of friends and family to guide their choice. This is expected to result in a fundamental redefinition of the role of advice and of distributors as a sales channel.

- Data – Historically the insurance sector has primarily used internal data in a structured format to make tactical and operational decisions. However, in the next decade the industry may increasingly use large amounts of real-time sensor data, unstructured data from social networks, and multimedia data, such as text, voice and video.
- Natural events – The severity and frequency of catastrophic events is increasing. Over the next decade the insurance sector could be overwhelmed with uncorrelated catastrophic events reducing capacity and raising prices. Alternatively, new sensing and monitoring technology, together with risk transfer mechanisms, could cushion insurers and re-insurers against abnormal losses.
- Emerging economies – As consumption increases in emerging economies, the insurance market in those countries is expected to grow, resulting in big opportunities for emerging market insurers.

### Funds management

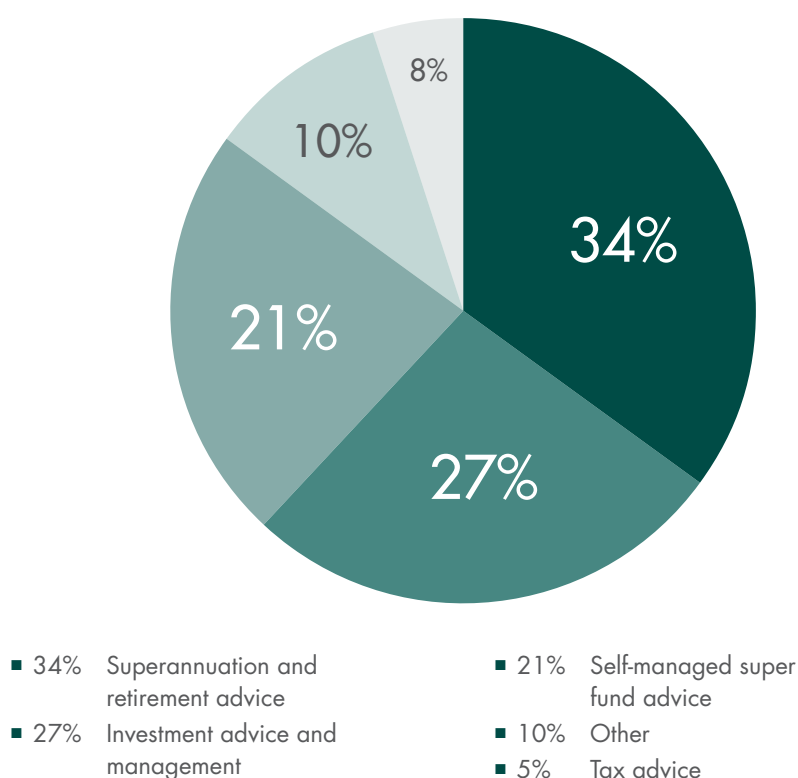
Funds' managers provide portfolio investment services and investment consultant services on a commission

and fee basis. Funds' managers provide services to individual and institutional investors. Individuals choose to invest in managed funds directly, or through a financial advisor. Institutional clients are usually large and sophisticated investors. They include public and private superannuation funds, insurance companies, finance companies and investment managers that outsource funds investment. Life insurance companies currently account for about 24 percent of the funds under management.

Australia's growing number of high-net-worth individuals, and a stronger culture of private and national saving, has been fuelling sector growth. The ageing of the population, new and evolving investment products, and the inflow of funds due to superannuation legislation have also underpinned growth. Industry revenue is forecast to grow at a compound annual rate of 7.3 percent over the five years through 2017–18, to \$8.16 billion.

Outsourcing, the transferring of back office operations to specialist third-party providers, has emerged as a growing trend in the funds management sector. Until recently, outsourcing had been considered only a low to moderate contributor to efficiency improvements, but the importance of outsourcing is expected to increase. Cost saving and efficiencies may allow investment managers to continue to lower their

<sup>10</sup> PWC, 2012, Insurance 2020.

**Figure 6: Financial planning product and services segmentation 2013**

Source: IBISWorld Industry Report K6419b: Financial Planning and Investment Advice in Australia, December 2013.

management fees without reducing their profit margins.

A key opportunity for the industry in coming years is the Japanese funds management market. Japan has the second largest pool of investable wealth in the world. Demographic shifts and a need for high-yield investments to fund future pension requirements are likely

to result in a shift towards investments such as managed investment trusts. The Australian funds management industry is well placed to capitalise on opportunities in Japan by leveraging its skills and expertise. Key to success for firms may be their understanding of Japanese market nuances as well as the unique Japanese business culture.<sup>11</sup>

## Financial planning

Financial planners or advisors prepare financial plans covering various aspects of personal and business finance which includes: cash flow management, education planning, retirement planning, investment planning, risk management and insurance planning, tax planning, estate planning and business succession planning. Superannuation and retirement advice, especially on the diverse range of retirement income options and its maintenance into the long term, is the service that generates the most revenue for the sector. See Figure 6 (left).

This sector has traditionally played a dual role, acting as a service to consumers as well as a distribution arm for providers of financial products. Regulatory changes, such as Future of Financial Advice (FOFA) discussed in the paragraph below, and moves from within the industry have seen a shift toward greater focus on the consumer and eliminating conflicts of interest. The major driver of demand for financial advice over the past five years has been the increasing number of people seeking advice on superannuation. This has been driven by demographic changes as well as legislation requiring increases in superannuation savings.

With the introduction of the FOFA legislation in 2012, the industry has been through a tumultuous period. Industry restructuring is set to continue

<sup>11</sup> PWC, 2011, The Australian Fund Manager's Roadmap to Japan.

into 2015. The legislation requires greater transparency in pricing and more ethical operational and remuneration framework. This may benefit consumers but involves a greater regulatory burden on providers in the short term and may require businesses to restructure their systems and processes. It is anticipated that many players may exit the sector. However, ultimately, it is expected that demand for financial planning services may increase as consumers come to appreciate the sector's greater professionalism and transparency.

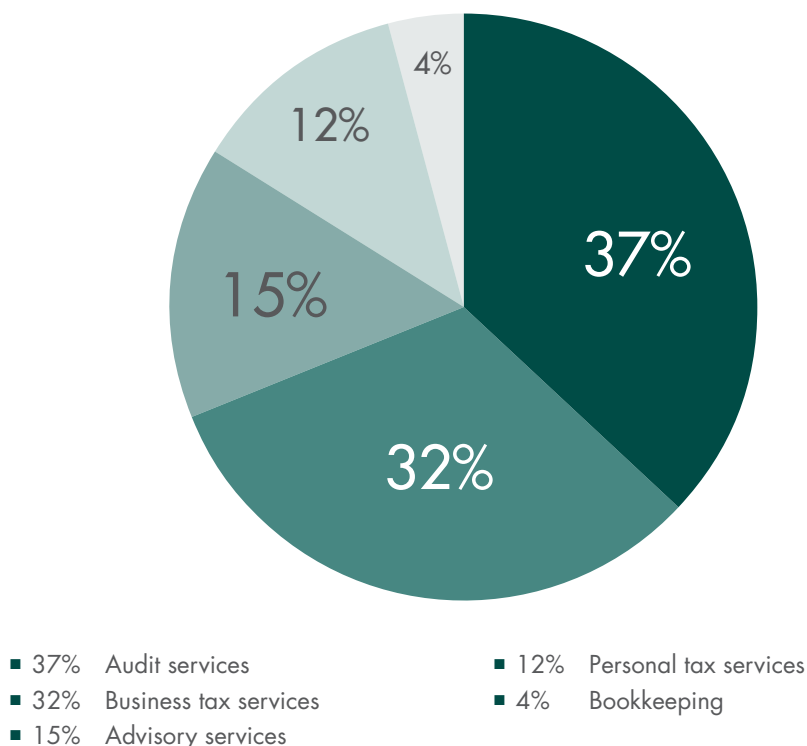
Digital communication and social media provides opportunities for planners servicing younger generations to stay in touch with clients and build credibility. A recent survey of 200 financial advisers found that 20 percent now use Twitter, representing 123 percent growth since December 2011, and 34 percent use LinkedIn, which represents 74 percent growth in the same period. This growth was matched by usage of mobile devices, especially tablets. The survey indicates that advisers are now embedding social media in their business models, but there is some way to go.<sup>12</sup>

Financial planners with proven track records and strong interpersonal skills are still highly sought. Sales skills and foreign language skills are some of the essential factors in planner recruitment. Asian language skills are in particular demand by banks employing planners. Financial planners in regional and rural areas are also in demand, but they are being supplemented by an increasing number of phone-based advisers providing a service to tomors.<sup>13</sup>

## Accounting services

The accounting sector provides accounting, auditing and bookkeeping services relating to all areas of taxation, financial reporting and auditing. Many firms also offer business advice and

**Figure 7: Accounting services segmentation 2012–13**



Source: IBISWorld Industry Report M6932: Accounting Services in Australia, May 2013.

assistance. Accounting firms derive the vast majority of their income from the private sector, particularly from other organisations in the Financial Services industry. Four big companies dominate the industry, accounting for about 19 percent of market share. These big firms have a stronger focus on auditing and advisory services. For medium and small firms, business taxation services are the key revenue-generating activity. Bookkeeping is a key activity for very small businesses such as sole proprietors and small partnerships – see Figure 7 (above).

The outlook for the accounting services sector is improving, with better economic conditions, rising consumer spending and business confidence. The industry is projected to grow by a compound annual rate of 3.8 percent

over the five years through to 2017–18 to earn \$20 billion, outperforming the overall economy.

It has become increasingly important for accountancy firms to offer more services, as businesses remain risk averse and are looking for help in keeping costs down. Accountants have been branching out to provide more consultancy work, particularly related to audit and tax advice.

Data analysis is expected to be at the forefront of business plans as firms attempt to become resilient to cyclical changes. Organisations are looking to simplify the back office and to achieve this they are aiming to make routine processes systematic and employee free.<sup>14</sup> Some firms have invested in data analytics and technology consulting as part of their business models. Firms have

<sup>12</sup> Pokrajac, 2013, 'Advisers embrace social media at a rapid pace', Money Management, 3 June 2013.

<sup>13</sup> Hays, 2013, Salary Guide 2013.

<sup>14</sup> Ambition, 2013, Market Trends and Salary Reports 2013 Australia.



also moved towards using social media in an effort to become more relevant to younger markets and to provide better access to their services.

Transparency and accountability has been a focus post the global financial downturn. Accounting firms have come under significant scrutiny from the public and shareholders. The International Financial Reporting standards introduced in 2005 are becoming more stringent over the next five years to improve consistency and comparability of reports across the globe.

Larger players within the accounting sector are expected to benefit from continued success in the Asia Pacific and capitalise on growth in developing nations in the region. Adoption of the International Financial Reporting Standards may drive further expansion, with specific local knowledge becoming less important for some accounting standards. This standardisation also allows outsourcing of routine, labour-

intensive accounting processes to low cost countries.

The 2013 election result means the carbon tax and the Mineral Rent Resources tax is likely to be repealed. This is expected to terminate two new income streams for accountants and slow the growth of specialist sustainability accounting. However, helping businesses deal with other changes to taxes proposed by the incoming government is likely to create new business.

## Debt collectors and credit agencies

Debt collection firms retrieve debt payments from people and businesses that have fallen short of the terms and conditions outlined by their loan agreements. Firms either purchase debt ledgers and take ownership of any funds recovered, or are paid a fee by the creditor or a commission

calculated as a percentage of the recovered money. The industry primarily comprises a large number of small players, who deal with recovering loans from individuals and small businesses. There are a total of 525 debt collection businesses in Australia.

Industry consolidation, increased use of technology to contact debtors and monitor progress, and judicious purchases of debt ledgers is expected to support growth within the debt collection industry over the next five years. Growth may be dampened, however, by debt wary consumers and businesses, as well as more stringent credit laws. Overall, the industry is expected to experience strong growth of a compound annual rate of 6.5 percent over the five years through 2017–18, to be worth \$2.6 billion.

Credit agencies provide independent opinions of the creditworthiness of particular companies, individuals, securities or financial obligations. These businesses derive revenue from

subscribers and issuers through fees paid for access to, or assessment of, credit ratings. Their major clients are banks, credit unions and building societies, other finance companies and telecommunications and utilities companies. There are only 32 of these businesses in Australia, employing just over 2,000 employees in total.

The degree to which consumers and businesses choose to increase their debt levels, and thus provide demand for the services of credit agencies, is affected by the interest rate environment. IBISWorld estimates that with stronger global growth and corporate profits over the next five years, this segment may grow by a compound annual rate of 2.9 percent, to be worth \$863.8 million.

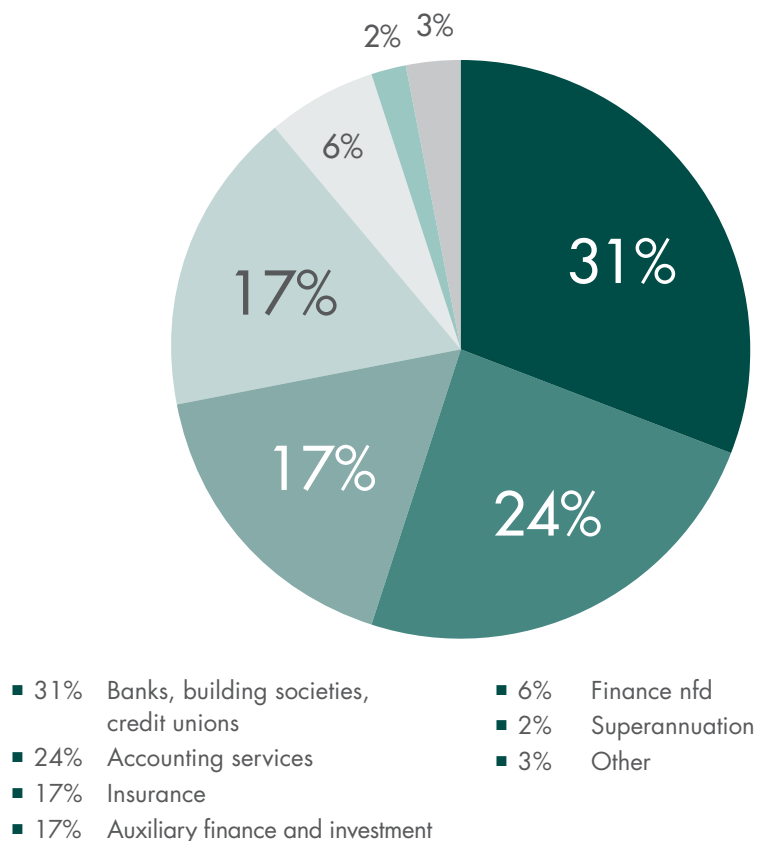
Like other parts of the Financial Services industry, credit rating agencies have been subject to increasing levels of regulation, following the global financial downturn. While new regulations may raise compliance costs for credit agencies, they also benefit businesses by providing greater transparency and confidence in the industry.

## Workforce characteristics and employment trends

Despite its value to the economy, the Financial Services industry only employs around 552,000 workers, or 4.7 percent of the Australian workforce. Most people in the industry are employed by banks, building societies and credit unions or accountancy firms. See Figure 8.

Employment numbers have been fairly stable across the industry in recent years. Growth has been strongest in the accounting sector and in non-defined financial services (Finance nfd). Auxiliary Finance and Investment services – which includes businesses involved in trading stocks and shares,

**Figure 8: Persons employed in Financial Services industry by sector 2013**



Source IBISWorld, Industry Report M6932: Accounting Services in Australia, May 2013; ABS, Labour Force, Australia, Detailed, Quarterly, cat. no. 6291.0.55.003, May 2013; SuperTABLE E06\_aug94 – Persons Employed by Sex, Industry (3 digit), State, Status in Employment, August 1994 onwards.

investment management and advisory services, stock exchange and share registry operation, and other funds management services – reduced staff numbers in 2013. However, there was a spike in employment in these services, as well as in banks, in 2012, possibly due to the impact of the FOFA legislation. See Figure 9.

Employment in the Financial Services industry is slightly skewed towards NSW and Victoria with both of these states employing more financial services workers than their population share. The other states employ slightly less than their population share. About 67 percent of employment is based in NSW and Victoria.<sup>15</sup> Only 18 percent of employees work outside capital

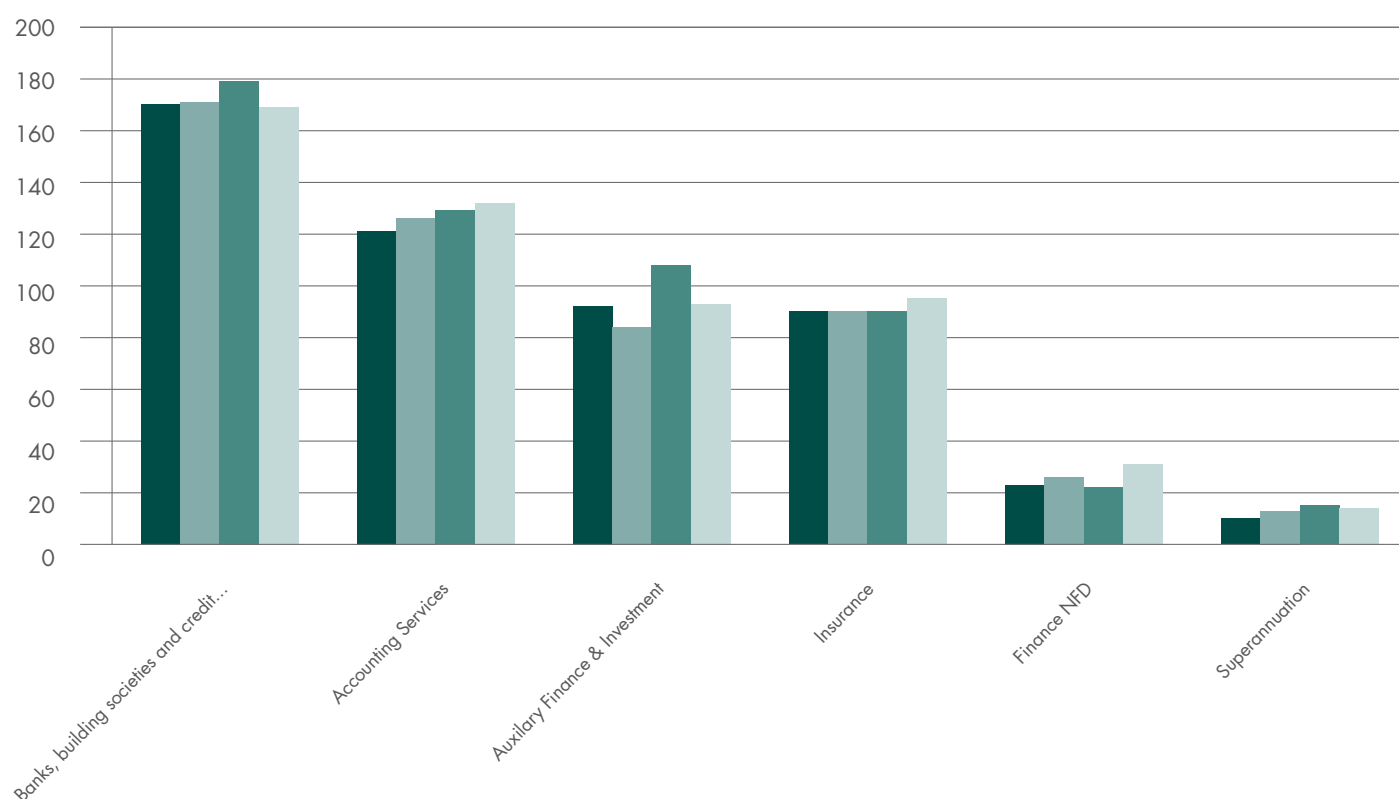
cities, compared to 37 percent for all industries.<sup>16</sup>

Overall, there are more females than males working in the Financial Services industry. However, this varies between the sectors. Banking is a feminised area with women accounting for 56 percent of workers. Insurance also has more female workers, at 58 percent. The auxiliary finance and investment services sector, including brokers, financial planners, funds' managers, etc., is male dominated, with only 40 percent of the workforce being female.<sup>17</sup> Looking across the occupations in the industry there are some that are highly feminised, such as bookkeepers, at 92 per cent female, accounting clerks, at 81 percent female, and bank workers, at 72 percent female; while others, usually the

<sup>15</sup> ABS, 2013, Labour Force, Australia, Detailed, Quarterly, cat. no. 6291.0.55.003, May 2013.

<sup>16</sup> DEEWR, 2013, Australian Jobs 2013.

<sup>17</sup> ABS, 2013, Labour Force, Australia, Detailed, Quarterly, May 2013.

**Figure 9: Financial Services industry employment growth 2010–13 ('000)**

Source IBISWorld Industry Report M6932: Accounting Services in Australia, May 2013; ABS, Labour Force, Australia, Detailed, Quarterly, cat. no. 6291.0.55.003, May 2013; SuperTABLE E06\_aug94 - Persons Employed by Sex, Industry (3 digit), State, Status in Employment, August 1994 onwards.

more professional and highly paid roles, are male dominated, including financial advisors and planners at 70 percent male, financial brokers at 67 percent male, auditors at 56 percent male and accountants at 52 percent male.

Two groups, 'Clerical and Administrative Workers' and 'Professionals', dominate the financial services workforce, accounting for around four in every five workers. This is markedly higher than their share of total national employment at 37 percent, or slightly more than one in three workers. The Financial Services industry is one of the most highly educated industries in Australia, with 57.5 percent of the workforce in the industry holding an advanced diploma or higher.<sup>18</sup> The higher education sector

plays an important role in the provision of skills in this industry, with 40 percent of workers holding a Bachelor degree or higher qualification – compared with 26 percent for all industries – and 23 percent of workers have a Certificate III or higher VET qualification.<sup>19</sup>

Accountants, accounting clerks and bookkeepers are the most common occupations in this industry. Together, these three occupations employ 435,000 people across the economy. Other common financial services occupations are bank workers, finance managers, investment advisors and managers, insurance, money market and statistical clerks, credit and loan officers and financial brokers – see Table 1.

## Industry and workforce outlook

### Industry outlook

The Financial Services industry is positioning itself to respond to a range of demographic, economic, regulatory, social and environmental trends, including:

- the rise in economic power in emerging asian markets
- the growth of superannuation and shift away from bank deposits, which may require adjustments to the roles of banks and superannuation funds and the development of new financing techniques

<sup>18</sup> Austrade, 2013, Why Australia: Benchmark Report Update June 2013

<sup>19</sup> DEEWR, 2013, Australian Jobs 2013.

- increasing customer expectations in relation to simplicity, transparency and speed of transactions and the ever increasing move towards online and mobile technology
- the transformation of 'big data' into useable information for business development
- harmonisation, standardisation and globalisation of markets and regulatory arrangements, and
- the management of 'natural capital risks' – the risks associated with environmental externalities, such as damages from climate change, pollution and depletion of natural resources.

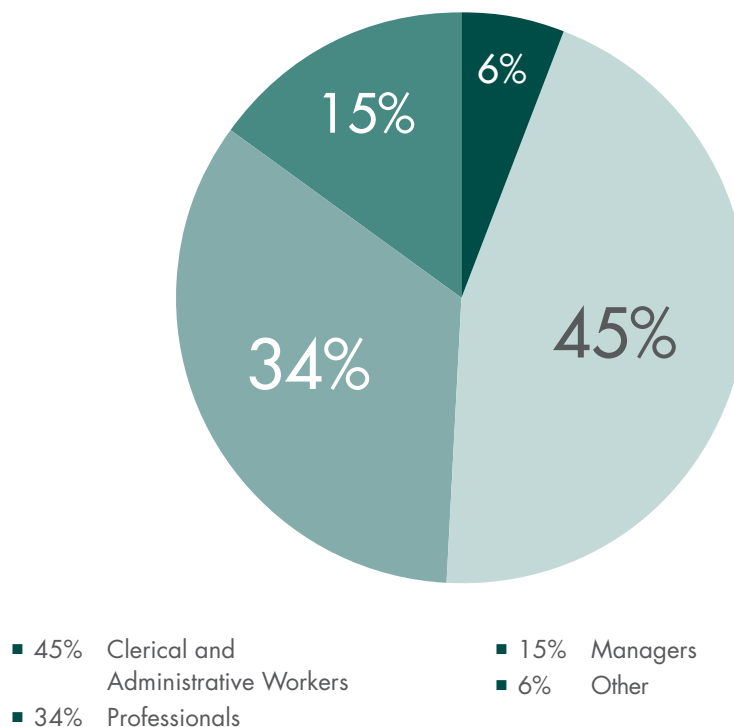
The following section discusses how each of these issues is impacting and is expected to continue to impact on the Financial Services industry in the short to medium term.

## Asian century

The pace and scale of growth and change in Asia reflect a significant shift in the world's balance of economic power. Over the past 20 years, China and India have more than doubled their share of the global economy. The size of China's economy has expanded nearly ten times in that period and India's has grown 5.5 times, both in purchasing power and parity terms.<sup>20</sup> With an expanding middle class in Asia, particularly in China, new markets are being created for financial products. Australia's financial institutions are well positioned, geographically and in terms of expertise and business connections to capitalise on these emerging markets. As noted above, the Japanese market offers particular opportunities for funds' managers in providing investment services to a fast-ageing population in need of high-yield investments.

The Australian Government is working to support financial services in their forays into Asia by building further on the strength, stability and competitiveness of Australia's financial system. A range

**Figure 10: Financial Services occupational profile (% industry total)**



Source: ABS, 2013, Labour Force, Australia, Detailed, Quarterly, cat. no. 6291.0.55.003, May 2013.

of policies is expected to support this objective including implementing the Basel III capital and liquidity standards, boosting superannuation balances, ensuring reasonably priced credit for investment, supporting an efficient and well-regulated funds management industry, streamlining market disclosure obligations in the retail corporate bond market and reducing transaction costs, while maintaining a high level of protection for retail investors.<sup>21</sup>

The establishment of an Australian Financial Services Industry Innovation Partnership based in Sydney is also expected to help Australian institutions engage with the region. This partnership is a national consortium of businesses, universities and governments that is expected to develop an industry-wide strategy and a world class 'Financial Services Exports Innovation Lab'. The partnership seeks to create 30,000 new high value jobs and double Australia's

financial services exports – adding over \$1 billion. The aim is to help Australia become a leading global financial actor in the Asian Century.<sup>22</sup>

## Growth of superannuation

Compulsory superannuation and tax incentives to encourage individuals to invest in superannuation means that household savings are being channelled away from bank deposits into superannuation. In the long run, the growth of superannuation relative to bank deposits has several implications for the Financial Services industry. Superannuation funds have tended to be investors in the financial assets created by banks. If banks are getting are fewer funds by way of deposits, they may not have the same capacity to create the financial assets needed for superannuation funds to invest their growing pool of savings in.

<sup>20</sup> Austrade, 2013, Why Australia: Benchmark Report Update June 2013.

<sup>21</sup> Australian Government, 2012, Australia in the Asia Century.

<sup>22</sup> SIRC, 2013, 'Australian Government announces SIRC-led Financial Services Innovation Partnership that looks to create 30,000 new high-value Australian jobs', Media Release, 28 August 2013.

**Table 1: Top employing occupations in the financial services industry by state/territory ('000)**

ANZCO	Occupation	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	Total
221100	Accountants	66	45	25	9	16	3	1	3	166
551100	Clerks, accounting	49	40	32	11	16	3	2	2	155
551200	Bookkeepers	30	32	25	8	15	2	2	1	114
552100	Bank workers	23	14	9	3	6	1	0	0	57
132200	Managers, finance	17	14	9	3	4	1	1	2	50
222300	Financial investment advisers and managers	17	14	8	3	4	0	0	1	46
552300	Clerks, insurance, money market and statistical	13	8	5	3	3	0	0	1	33
552200	Credit and loans officers	10	6	5	3	3	0	0	0	27
222100	Financial brokers	7	6	4	2	5	0	0	0	24
222200	Financial dealers	9	5	2	1	1	0	0	0	18
221200	Auditors and company secretaries	7	4	2	1	1	0	0	1	16
611200	Insurance agents	4	3	4	1	1	0	0	0	13
599300	Debt collectors	3	2	1	1	1	0	0	0	9
224100	Actuaries, mathematicians and statisticians	3	2	1	0	1	0	0	0	7
599600	Insurance investigators and loss adjusters	3	1	2	1	1	0	0	0	7
224300	Economists	1	1	1	0	0	0	0	1	3

Source ABS, Labour Force, Australia, Detailed, Quarterly, cat. no. 6291.0.55.003, May 2013; SuperTABLE E08\_aug94 - Persons Employed by Sex, Occupation, State, Status in Employment, August 1996 onwards. Each year's May employment estimate is the average of the relevant ABS LFS data for the four quarters up to and including May. Further information on the background to the estimation methodology is provided in the section "About ABS data" on page 4.

This shift may require adjustments to the roles of banks and superannuation funds and the development of new financing techniques. New, tighter regulatory arrangements are expected to have

an impact on how innovative banks can be. Banks may take on a larger investment banking role, to raise funds via equity or bonds and superannuation funds could move more into the business

of creating new financial assets for their own investments by, for example, making loans. This would require either developing in house expertise or partnering with other specialists.<sup>23</sup>

23 Australian Centre for Financial Studies, 2013, Funding Australia's Future project: from where do we begin.

## Customer expectations

More empowered and demanding customers, armed with smart phones and experienced in digital commerce, mean that financial services have new and powerful ways of engaging with customers.

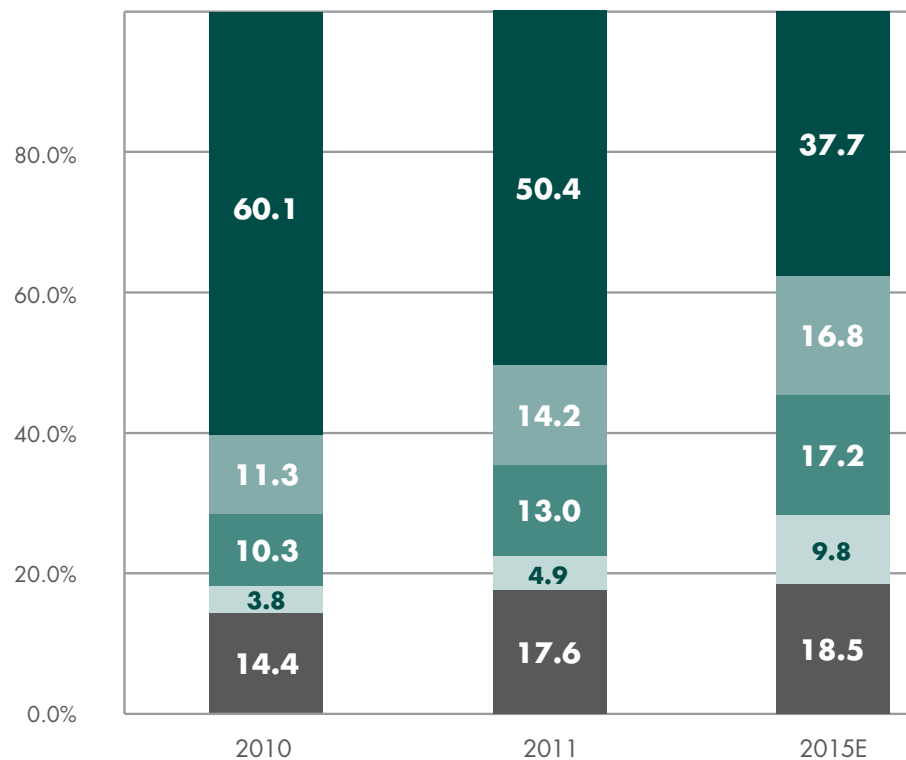
To create a consistent customer experience, many financial organisations need to transform their culture as well as their operations, allowing staff to understand the customer rather than the product and be responsive in supporting customer demands. This shift requires strong buy-in at the executive level. Indications are that executives are prioritising the issue. A recent global survey of senior executives in a range of industries found that 56 per cent put digital engagement of customers as at least a top ten company priority. However, the same survey shows that companies have some way to go before realising their digital visions.<sup>24</sup>

The challenge for financial services is to deliver a seamless experience to customers as they move from one channel, eg mobile, ATM or branch, to another within an institution and to integrate their back office systems with an integrated front end. A coherent mobile strategy is particularly important for banks in meeting customer expectations and integrating the mobile channel with other channels.<sup>25</sup> The fast growth in mobile banking can be seen in Figure 11.

## Big data

Big data and analytics are increasingly used by financial services to protect against threats, gain important insights into their customer behaviour, provide quantifiable predictions and create new business models and services. For financial institutions, big data is now seen as a strategic imperative

**Figure 11: Global mobile banking usage (%) 2010–15**



Source: Capgemini Analysis, 2012; 2012 Capgemini, 2012, Retail Banking Voice of the Customer Survey; and Capgemini and Efma, 2012, World Retail Banking Report.

for dealing with renewed economic uncertainty, increasing regulation, banking sector reforms and the legacy of customer mistrust from the global economic downturn.<sup>26</sup>

Some commentators warn that the promise of big data should not be oversold. Although managing the increasing complexity of data is critical to the future success of organisations, new initiatives should concentrate only on what is necessary to achieve the required business outcomes. Converting big data programs into successful activities that deliver meaningful business insight and provide sustained high quality customer relationships can be costly, risky and sometimes fruitless. All too often, big data activities focus on data that has the lowest potential

to add value, thus wasting time, cost and effort. A lean approach is recommended, which aligns all business capabilities and is focused around a socially connected customer. According to Deloitte, this is expected to support the development of personalised and dynamic products and services.<sup>27</sup>

## Regulation

The Financial Services industry has always been highly regulated in order to protect consumers. In recent years, a raft of new regulatory reforms have been introduced, many in response to the global economic downturn, generally to build the transparency, global interconnectedness and stability of the financial system.

<sup>24</sup> McKinsey, 2013, 'Bullish on digital', McKinsey Global Survey Results.

<sup>25</sup> Capgemini, 2013, Trends in Retail Banking Channels: Meeting Changing Client Preferences.

<sup>26</sup> Deloitte, 2012, Big Data: Time for a Lean Approach in The Financial Services.

<sup>27</sup> Deloitte, 2012, Big Data: Time for a Lean Approach in The Financial Services.



Key reforms, which are ongoing, include:

- **Basel III** – A global regulatory standard designed to strengthen bank capital requirements by increasing bank liquidity and decreasing bank leverage.
- **Future of Financial Advice** – A series of reforms that focus on improving the quality of financial advice, particularly product recommendations and making more affordable forms of advice available. The reforms aim to improve investor protection and instil confidence in the financial advice industry.
- **Stronger Super** – Reforms designed to remove unnecessary costs of superannuation and better safeguard retirement savings through the provision of a default, low cost superannuation product (MySuper); to streamline the back office of the superannuation system; and to improve the integrity and community confidence in self-managed superannuation funds.
- **International Financial Reporting Standards** – New standards that represent a common global language for business affairs so that company accounts are understandable and comparable across international boundaries. These standards are progressively replacing the many different national accounting standards.
- **The Dodd Frank Act** – The Dodd Frank Act aims to promote United States' financial stability by improving accountability and transparency. It is the most significant financial reform in the US since the 1930s. Australian financial organisations that do business with US must comply with extensive rules and requirements under this Act. There is still uncertainty around the extent of the impact on Australian companies. At the end of 2012, only 39 percent of the rules had been finalised.<sup>28</sup>

Higher regulatory costs from the latest wave of regulations means businesses need to review their business models

to ensure they can absorb the costs and adapt to the new requirements, for both domestic and extra territorial operations. Ninety percent of finance and accounting executives who responded to one survey reported that managing recent regulatory changes has been challenging for their business.<sup>29</sup> For some businesses, cultural change is required to improve the focus on ethics and transparency. For others, new organisational structures to bolster compliance and risk management capabilities, including internal controls and governance mechanisms, need to be established. The uncertainty around some reforms means that businesses need to be prepared to act quickly once requirements become clear. In some areas regulation may lead to opportunities to launch new products or access new markets.

## Environmental sustainability

Financial institutions are increasingly thinking about how environmental factors, weather extremes, volatile commodity prices, carbon liability and water challenges affect their clients and their own bottom line. A growing group of banks, investors and insurance firms recognise the need for a broader understanding of emerging natural capital risks in bond and equity markets, insurance and lending.

Seventy-eight financial global institutions (including four Australian institutions) are now signatories to the Equator Principles, which require that clients manage and minimise the environmental and social impacts of their operations as a condition to gaining access to project finance. Thirty-nine financial institutions, including National Australia Bank, have signed the Natural Capital Declaration and thus committed to understanding the risks related to clients' use and dependence on natural capital, with

a view to including this information in future consideration of credit risk and pricing decisions. Businesses are becoming signatories to this declaration not out of altruism, but through the understanding that it is in their commercial interests to prepare for and manage the future risks presented by environmental harm.<sup>30</sup>

In coming years, it is expected that organisations may need to develop tools and metrics to integrate these risks into various financial products and collect the information required for an expected increase in reporting on sustainability issues in public documents.

## Workforce and employment outlook

### Cautious hiring in the short term

Many banks and financial institutions are still undergoing cost-cutting measures and are hiring cautiously due to tough trading conditions. Organisations are seeking to save money through greater efficiencies generated from business transformations such as technology improvements and offshoring of lower level or routine jobs.

Australian Bureau of Statistics (ABS) figures indicate that in 2012, 16,400 financial and insurance jobs had been cut across the nation. In just nine months, 11.0 percent of people employed in the NSW financial services sector were lost.

This offshoring of low level jobs combined with the fragmentation of financial services into narrower areas of specialisation is affecting the job outcomes of accounting graduates. One set of data shows that 25 to 40 percent of accounting graduates from the nation's top universities haven't secured work in the sector within a year of graduating.<sup>31</sup>

28 I. Zasarsky, 2012, Dodd Frank: where are we at?

29 R. Half, 2013, Finance & Accounting Salary Guide 2013.

30 National Sustainability Council, 2013, Sustainable Australian Report 2013.

31 King, 2013, 'Accounting graduates face job market squeeze', Australian Financial Review.

According to 2013 human resource company surveys,<sup>32</sup> higher level finance jobs have also been affected, with few new roles being created and a significant number of executive roles being amalgamated or offshored. The majority of jobs that have become available are replacement, not new roles and there is a trend among many larger companies to develop staff and promote internally, rather than recruit externally.<sup>33</sup> Senior executives who are adept at driving organisational change are still in demand, however.<sup>34</sup>

## Becoming an employer of choice

Despite the current environment of cautious hiring, as economic conditions improve and the employment market turns, employees are expected to have more power and choice. They may be seeking a better understanding of their employment options and a greater say in how work is assigned, assessed and rewarded.

One survey showed that 86 per cent of Australian chief financial officers (CFOs) and finance directors said it is challenging or very challenging to find the right, skilled professionals in today's hiring market. Almost the same proportion expressed concern about losing top performers to rival job offers over the next 12 months.<sup>35</sup> Staff retention and effective staff management strategies are expected to be a high priority for finance companies in coming years.

Organisations that can present themselves as an 'Employer of Choice' by presenting compelling propositions

in terms of brand, job responsibility and career growth may find that they can recruit better people from the labour market.<sup>36</sup> Australia's changing demographics means that financial services firms may have to craft methods to engage or re-engage older workers.

The 2013 Australian Leadership, Employment and Directions (LEAD) Survey, which interviews people across a range of industries at all levels in organisations, found that the most important 'Employer of Choice' factors from an employee's perspective were:

- recognises and rewards staff well
- pays above-average salaries and bonuses for excellent performance
- invests in the learning and development of people
- is a place where you can have fun and enjoy working, and
- management is passionate and engaging to work with.

The survey found that employees of the future are expected to have very clear expectations about what they want from organisations, in terms of how they want to be supported in their careers. An organisation's capacity to easily and quickly adapt to these expectations may determine whether they can attract and retain the best talent.<sup>37</sup>

## Social media for workforce collaboration

Financial services firms are increasingly using social media and social analytics to strengthen decision making and increase workforce collaboration. Social

media, when used internally, presents an opportunity to improve workforce efficiency by enabling employees working across various teams and locations to interact and share information and best practice.

However, organisations may need strategies to manage this new form of workforce collaboration. They are expected to need to articulate the rules and train staff on social media applications. Understanding how social media fits with financial regulations may also be critical, particularly where the employees' social profiles are linked to the organisation. For example, by 'retweeting' or liking an article on investment opportunities, employees may be seen as 'providing investment advice' by regulators and therefore be subject to compliance review.<sup>38</sup>

## Staff that are adaptable, analytical and empowered

Increasing customer expectations mean that Financial Services staff must be highly adaptable so that institutions can quickly respond to changing customer requirements.<sup>39</sup> Given the immediacy of social media tools, customers have come to expect that their interactions elicit rapid, or immediate, responses. Business frontline staff may need to be empowered to make immediate decisions; and information may need to be available in real-time for employees to properly address customer concerns.<sup>40</sup>

Adaptability is also highly valued in the current cost-trimming environment because businesses need staff who

32 Ambition, 2013, Market Trends and Salary Reports 2013 Australia.

33 R. Half, 2013, Finance & Accounting Salary Guide 2013.

34 R. Half, 2013, Finance & Accounting Salary Guide 2013; R. Walters, 2013, Salary Survey 2013.

35 R. Half, 2013, 2013 Salary Guide: Finance and Accounting; R. Walters, 2013, Salary Survey 2013.

36 Ambition, 2013, Market Trends and Salary Reports 2013 Australia.

37 LMA, 2013, Leadership, Employment and Direction Survey.

38 KPMG, 2012, The Social Banker.

39 Mayo, 2013, Revolution, Not Evolution, Required to Redefine the Customer Experience in Financial Services.

40 KPMG, 2012, The Social Banker.

can work across a wide range of functions. Employers are looking for people who are happy to perform routine tasks but who also have the experience and confidence to take on high level duties.<sup>41</sup>

Human resource companies have identified a pronounced trend among finance companies for hiring candidates with high level analytical skills, rather than straight number crunchers.<sup>42</sup> Growing mountains of data on customer behaviour and preferences require financial services staff to be able to sort, draw conclusions and effectively communicate what the data is saying. Restructuring of the industry due to regulatory change and technological developments means that firms are looking for clever business analysts to help drive organisational change and implement efficiencies.<sup>43</sup> Offshoring of financial data centres is another factor driving the demand for strong analysts. Investment banking in particular has seen a transfer of a significant number of financial accounting and back-office operational jobs to centres such as Singapore and Hong Kong, leaving in their wake demand for those who are skilled at analysing and interpreting the meaning of the data being generated. Highly analytical candidates who also bring first-class relationship management skills are in particularly strong demand.<sup>44</sup>

## Gender divide

Although there are slightly more women than men working in the Financial Services industry, men tend to occupy the more

powerful and highly paid positions. This situation is not unique to this industry but it is particularly pronounced in financial services. Australia's gender pay gap is 17.5 percent. Financial and insurance services have the second widest pay gap of all industries at 31.4 percent.<sup>45</sup>

Regulators such as the Equal Opportunity for Women in the Workforce Agency (EOWA) and institutions such as the Financial Services Institute of Australasia (FINISIA) have attempted to address the issue through policies to measure, report on, and promote, gender equity. However, the gap has not narrowed significantly. From 2014, gender equality reporting is expected to be strengthened to cover issues beyond gender composition. Employers with more than 100 staff will be required by legislation to report on six indicators, including equal remuneration, composition of governing bodies and flexible working arrangements for employees with family and caring responsibilities.<sup>46</sup>

The Australian Financial Markets Association (AFMA) has prioritised gender diversity, based on anecdotal evidence from members that it is difficult to recruit female graduates into the industry. The organisation is undertaking research with female graduates to discover what can be done to attract them into the industry.

A 2012 study by FINISIA found that sponsorship, rather than mentoring, may be a useful strategy to improve women's representation. Sponsorship moves beyond the feedback and guidance that characterises mentoring and includes advocacy by leaders actively seeking

to assist and promote an individual's career progression. This report also found that financial services companies could work to promote flexibility as a workplace policy to benefit both men and women, and to assist those with parenting and caring responsibilities, regardless of gender.<sup>47</sup>

## Occupations in Demand

A list of Occupations in Demand is presented in Appendix B. The list is collated from industry intelligence presented in this Escan on the industry, employment trends and the workforce. This list contributes to workforce development and planning strategies highlighted in Chapter 3 and also presents a clear relationship to training packages.

This following occupations and job roles have been reported as in demand in the Financial Services industry at IBSA's Escan 2013 industry consultations and validation:

- accountant/accounting manager
- accounting assistant/accounts officer/supervisor
- customer and client services officer
- compliance and regulation officer, manager and analyst
- auditor
- corporate administrator and operations officer
- debt collector
- financial planner/adviser/technical specialist, and
- superannuation advisor.

41 R. Half, 2013, Finance & Accounting Salary Guide 2013.

42 Ibid.

43 R. Walters, 2013, Salary Survey 2013.

44 R. Half, 2013, Finance & Accounting Salary Guide 2013.

45 Workplace Gender Equality Agency, 2013, Gender Pay Gap Statistics, August 2013.

46 Workplace Gender Equality Agency, 2013, Overview of Reporting Requirements.

47 Financial Services Institute of Australasia, 2012, Significance of the Gender Divide in Financial Services.

# Identified workforce development needs

Challenging economic conditions are having a marked effect on the Financial Services workplace. Employers are experiencing increased pressure on budgets, greater workloads and more stringent headcount approval processes.

According to a survey of around 10,000 employers and employees in the accounting and finance fields, four out of five, or 80.2 percent of, employers say their teams have to do more with less, and only one in five, or 20.2 percent of, employers say they always replace roles if a member of their team leaves. Just over three quarters, or 78.8 percent, of all accounting and finance employees surveyed reported that they had taken on greater or new responsibilities compared to a year ago.<sup>48</sup>

A recent survey of 300 Australian CFOs and Financial Directors<sup>49</sup> identified a balanced set of 'soft skills' as being more important for accountants wishing to advance in the Financial Services industry than commercial acumen or varied industry experience – see Figure 12.

These findings were supported in IBSA consultations with a broad range of Financial Services industry representatives across the country about priorities for workforce development. Consultations repeatedly emphasised the importance of leadership and communication skills. A global outlook was also considered important. In addition, consultations and research have highlighted the need for financial

services staff who have strong analytical skills and can use technology, particularly social media, effectively and ethically.

## Leadership and management

Getting the workplace environment right for high performance and innovation requires strong leadership skills. Changing demographics mean that leaders need to have the skills to nurture cross generational relationships and adapt to the emerging and evolving needs of employees. Industry consultations indicate that financial services workers, particularly financial planners, come to the industry from a broad range of backgrounds and many are middle aged and older people looking for a total career change. Strong communication and interpersonal skills are needed to build engagement and trust, connect with all types of workers and understand their needs. Training and development must be perceived as core to the organisation.

Research<sup>50</sup> and consultations have highlighted the need to invest in first time managers. Mentoring and coaching is often touted as a useful way to cultivate the skills of up and coming staff. Leaders and managers need to

have the skills and confidence to play the role of mentor, to ensure the time, energy and money invested in this activity is optimised.

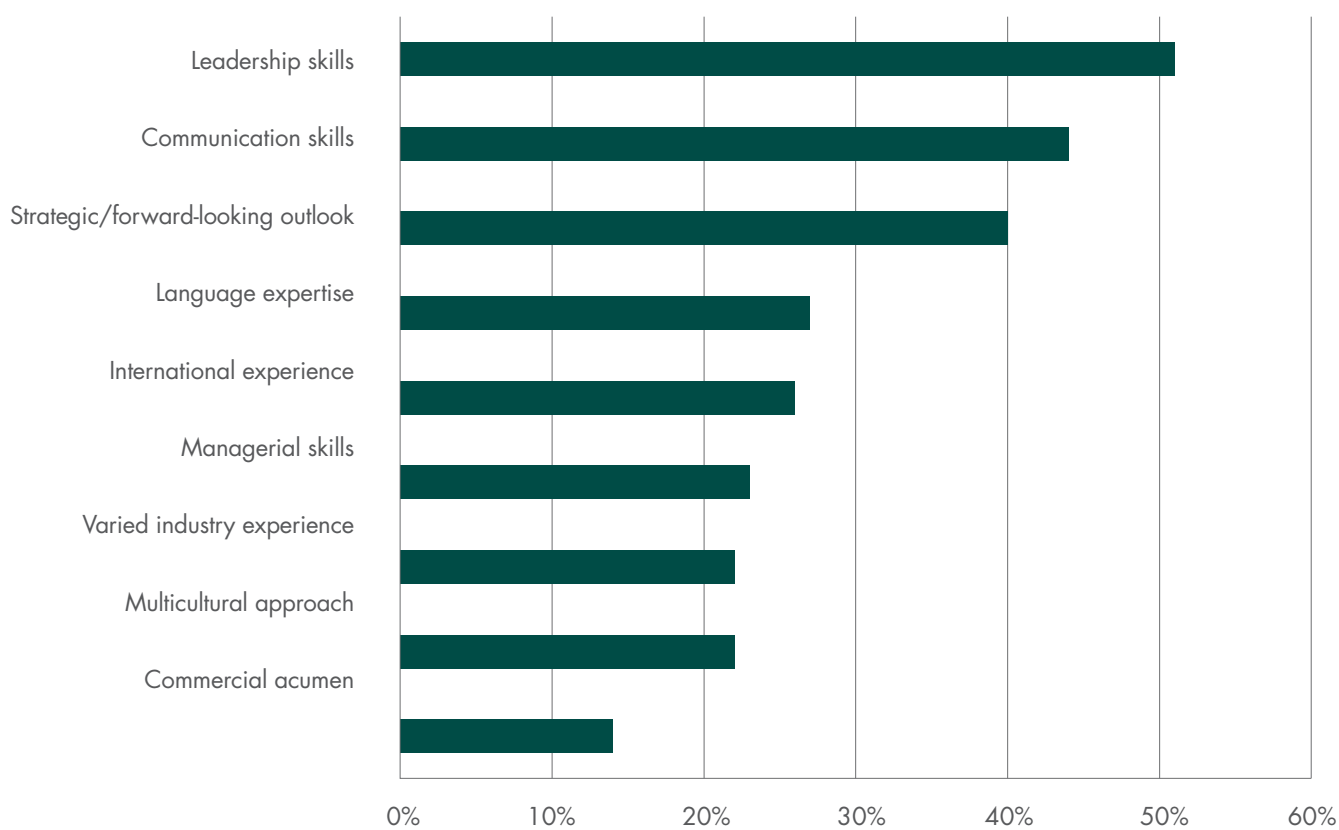
Staff retention strategies are expected to also become increasingly important as the labour market tightens and the workforce ages. The ability of managers to provide flexible work options and deliver work/life balance is central to creating environments where people want to stay, rather than leave. A 2013 survey found that work/life balance is the number one pressure on employees and organisation leaders, and the number four pressure on managers.<sup>51</sup> Among financial services employees, almost a third, or 29.6 percent, cited work/life balance considerations as reasons for leaving their previous positions.<sup>52</sup>

## Multiple roles and skills

A trend in the industry is the consolidation of multiple roles. Tighter headcounts and the reluctance of some organisations to fill every vacant role are seeing employers aim to combine several roles into one. This in turn is creating demand for multiskilled professionals with sufficient breadth of knowledge and experience to work across a business.<sup>53</sup>

48 Hudson, 2013, Salary and Employment insights 2013.  
49 R. Half, 2013, Finance & Accounting Salary Guide 2013.  
50 IMA, 2013, Leadership, Employment and Direction Survey.  
51 Ibid.  
52 Hudson, 2013, Salary and Employment insights 2013.  
53 Ibid.

**Figure 12: Views of CFOs and finance directors on most important attributes to advance into financial leadership roles**



Source: R. Half, 2013, Finance & Accounting Salary Guide 2013.

According to Australian CFOs and Financial Directors, the technical skills currently experiencing strongest demand in the Financial Services industry are high-end analytical abilities and interpretation of business intelligence data. Employers are looking for professionals who can decipher meaning behind the data they produce to help aid decision making.<sup>54</sup> The ideal recruit in the current finance and accounting hiring market is someone who is skilled with finance software packages and data analysis, but is also able to communicate findings and apply them to the rest of the business. Analysis must go hand in hand with a strong ability to present to senior stakeholders, creating an even greater emphasis on written and verbal communication skills.<sup>55</sup>

Consultations with industry representatives highlighted that communication skills are particularly important in light of the changing nature of the industry. An increasing range of financial products on offer, the ability for customers to self-serve using the internet for basic requirements, along with higher customer service expectations, means the role of the frontline worker is becoming more complex. Workers need to be trained to listen, question and coordinate services for customers; and to troubleshoot, rather than be an expert on one product line. The current focus on improving business productivity and improving the efficiency and transparency of finance functions is adding impetus to this trend. Employers surveyed about workforce priorities say candidates bringing strong commercial finance skills plus excellent communication abilities are most attractive. Organisations recognise that the ability to communicate financial information to non finance staff is critical.<sup>56</sup>

The multiple skills needed by financial services operators can be clearly understood by looking at the impact from the increase in self-funded retirees and their information needs. Specifically information is required on the increasing range of financial products and their maintenance into the long term, to support retirees to best use their retirement income to meet future accommodation, care and lifestyle needs.

### Global approach

Australia is expected to need to improve its development of relevant skills and develop new business models and new relationships to full benefit from the rapid increases in Asian demand.<sup>57</sup> A recent Financial Services Council chief executive officer (CEO) survey found that there is a strong interest in Asia among Australian businesses. Over two thirds, or 68 percent, of surveyed organisations currently have some presence or connection with the Asia region and over a half, or 58 percent, see Asia playing a role in their future strategic plans, with 42 percent suggesting Asia is 'very important' to these plans.<sup>58</sup>

Financial Services is one of Australia's priority industries for opening further to global trade. The 'export' component of financial services is the local expertise and skills – not Australian assets.<sup>59</sup> Recent changes by the Australian Government are making it easier for businesses in the financial services sector to manage offshore-sourced funds or access overseas markets in Asia. Key areas for exports and offshore transactions include funds management, particularly pension funds management, wealth management,

carbon services, venture capital and infrastructure financing.<sup>60</sup>

According to the Sustainability Council, Australia has one critical head start in the race for skilled people: it is very well placed to attract the world's most skilled and creative leaders, entrepreneurs, researchers and workers. Australia's modern economy and society, exceptional quality of life, strong education and tourism platforms, migration tradition and proximity to Asia add up to a unique opportunity for Australia's companies in Asia.

However, we also need to grow our own expertise. To capitalise on this opportunity, the *Australia in the Asian Century White Paper* states that Australia may need to develop job specific skills, scientific and technical excellence, adaptability and resilience and the ability to use creativity and design-based thinking to solve complex problems. We also need to broaden and deepen our understanding of Asian cultures and languages and become more Asia literate so that our firms can develop collaborative relationships and connections with others in the region.<sup>61</sup> Certified Practising Accountants (CPA) Australia believes that the capabilities and experience of Australian managers trails that of other countries and that Australian managers need to improve their knowledge of international markets, particularly of Asia, in order to improve the competitiveness and productivity of their businesses.<sup>62</sup>

### Social media literacy

Technological developments are changing the nature of the industry. Financial Services CEOs believe that technology is a significant factor in strategic planning and it plays a major

54 R. Half, 2013, Finance & Accounting Salary Guide 2013.

55 Ambition, 2013, Market Trends and Salary Reports 2013 Australia.

56 Hudson, 2013, Salary and Employment Insights 2013.

57 National Sustainability Council, 2013, Sustainable Australia Report 2013.

58 FST/DST, 2013, CEO Survey Report.

59 Ibid.

60 Export Victoria, 2013, Export Markets: Financial Services.

61 Australian Government, 2012, Australia in the Asian Century White Paper.

62 CPA Australia, 2013, Australia's Economic Reform Priorities.



role in innovation and delivering new financial products.<sup>63</sup> Social media, in particular, has emerged as a key workforce development issue, with many financial services firms just beginning to experiment with social media. Businesses using social media effectively may be able to better communicate and collaborate with their customers, as well as inside their own organisations.

However, a recent study of 50 of the largest private banks and wealth management institutes in the world found that most had developed 'amateurish' social media strategies, were 'hibernating' on Facebook and displaying tokenistic attitudes to Twitter and YouTube.<sup>64</sup> An IBSA industry survey of over 100 service-based businesses found only a quarter use Twitter regularly and 40 percent do not use it at all; while 44 percent use Facebook regularly and a quarter do not use it at all. Social media literacy is fast becoming a source of competitive advantage in the Financial Services industry<sup>65</sup> and offers particular advantages for small businesses, which do not have the funds to undertake large advertising campaigns.

Financial services firms face some unique challenges when incorporating social media into their organisations. Issues such as security and compliance must be carefully considered and understood by staff using social media. Employees need to be educated about the ethical and legal implications of social media and comply with guidelines to ensure customer privacy, regulatory compliance, commercial security and fair disclosure when using social media channels, even for personal use.

Social media requires a strategic approach that integrates with larger corporate goals. Some of the skills

and knowledge organisations and individuals working in the Financial Services industry may need to access or develop in order to capitalise on social media opportunities include:

- creative competence (storytelling, artistic vision)
- technical skills, especially video production
- understanding of cross-platform dynamics, distribution competence – the ability to influence the way messages move
- creating and sustaining a body of social followers, understanding key influencers
- analysing and making use of data and using software to filter the important from the unimportant
- balancing accountability with collaboration, and
- leveraging social media for key business functions.<sup>66</sup>

## Compliance impacts

IBSA consultations with industry representatives revealed that compliance is becoming an increasingly complex and burdensome for the industry and, if not well managed, can dampen innovation. There are no fewer than ten authorities, commissions or reporting agencies that govern financial services businesses. The range of new regulatory arrangements still being released to govern the Financial Services industry has two immediate implications for workforce development:

- existing employees need to be upskilled to understand their obligations under new arrangements and/or meet higher qualification requirements, and

- the industry is expected to access to compliance experts to undertake the auditing and reporting required under new regulatory arrangements and to advise businesses on how best to structure their business activities in order to meet their compliance obligations.

Some of the key areas where compliance arrangements are expected to have an impact on the skills required by the financial services workforce include:

- Basel III – Capital planning, risk management and investor relations may need to continue to be more integrated and forward looking. Banks are likely to need to develop appropriate and analytical tools and have the right internal organisation arrangements.<sup>67</sup>
- Financial planning – From July 2012, Australian Securities and Investments Commission (ASIC) is able to ban a person who is not of good fame and character or not adequately trained or competent to provide financial services.
- Dodd Frank – The interconnected nature of the global derivatives market means that international regulatory reform has an impact on market participants in Australia, even if those participants are not directly caught by the regulation. Australian banks and funds' managers need to be able to understand and respond to the new requirements as they develop.

Financial service employers report that skilled auditors are currently in high demand and that there are always roles for people with internal and external financial audit experience.<sup>68</sup>

63 FST/DST, 2013, CEO Report.

64 Assetinum, 2012, Social Media Survey Private Banks.

65 McKinsey and Co, 2013, Six Social-Media Skills Every Leader Needs.

66 McKinsey and Co, 2013, Six Social-Media Skills Every Leader Needs.

67 PWC, 2013, Basel III: An Australian Perspective on a Global Challenge.

68 Hudson, 2013, Salary and Employment Insights 2013.

# Current impact of training packages

FNS10 Financial Services Training Package contains national skills standards that apply to enterprises and to people working across all sectors under the financial services banner. The qualifications currently in FNS10, from Certificate I to Advanced Diplomas, also cover skills needs in all sectors in the Financial Services industry.

## Update on training packages

### Restructuring training packages

IBSA is progressively reviewing and restructuring its training packages to meet the Standards for Training Packages after the Standing Council on Tertiary Education, Skills and Employment endorsed the new Standards in 2012; IBSA's training package restructuring will be complete by 30 December 2014.

The Standards implement many of the recommendations from the former National Quality Council's *VET Products for the 21st Century* report of 2009. The new design presents information more simply, clearly and logically. The workplace performance standards and assessment requirements for units of competency are in separate documents as is guidance information for implementing training packages in companion volumes.

### FNS10 Financial Services Training Package

Maintenance of the training package is significantly influenced by the regulatory regimes that operate over a range of occupations in the Financial Services industry. In particular, decisions by the Australian Securities and Investment Commission (ASIC), the Tax Practitioners Board, state regulatory bodies and legislation introduced by governments have a profound impact on the upkeep of

the Financial Services Training Package. In 2012–13 the focus has been on specific aspects of continuous improvement, development of further educational initiatives, regulation and ensuring that the Training Package is current and the changes transparent to the industry.

### Focus for the future

During 2013–14, improvements to the Financial Services Training Package are expected to centre on developments in the provision of financial advice including recent initiatives from ASIC, including *Consultation Paper CP 212: Licensing: Training of financial product advisers: Update to RG146*; and *Consultation Paper CP215: Assessment and approval of training courses for financial product advisers. Update to RG146* sets out ASIC's proposed changes to training standards for provision of financial advice. Licensing to enhance the competency of, and quality of advice being provided by, financial product advisors and the recommendations for the review and regulatory upkeep of the ASIC Register, is expected to inevitably impact the Training Package content.

When the final outcome of industry consultation on the Future of Financial Advice (FOFA) is published by ASIC in 2014, the scope and breadth of revisions and updates to be implemented in the Training Package is expected to be better understood.

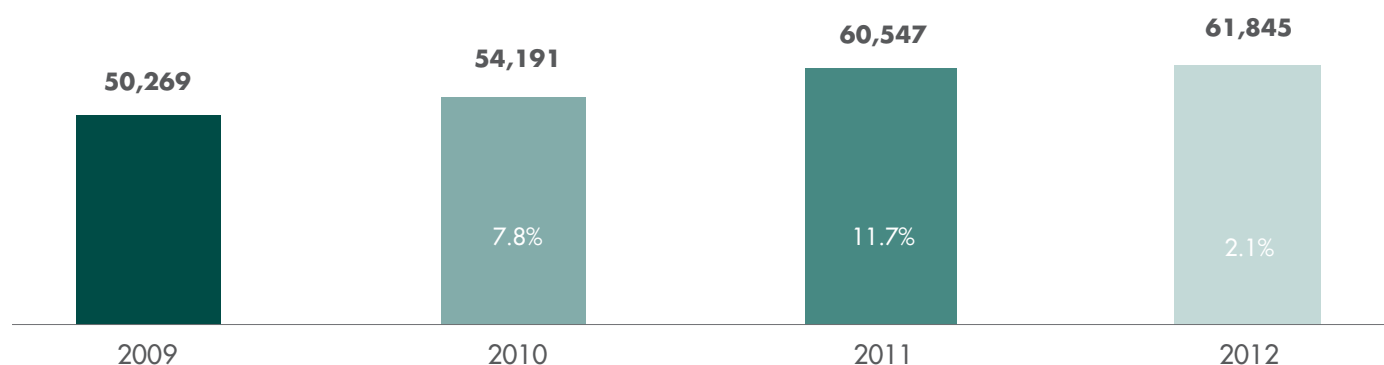
In response to Australian Government promotion and support of consumer

financial literacy, two new units of competency were developed by IBSA in collaboration with ASIC and the Australian Taxation Office (ATO); the new units are FNSFLT301A Be Money Smart, and FNSFLT401A Be Money Smart Through a Career in Small Business.

For superannuation, post-retirement products are a significant emerging area of need in the Financial Services Training Package. The establishment of new post-retirement products, which involve all regulators, may lead to more efficient approval processes and fewer inconsistencies in the prudential regulation, tax and social security treatment of such products.

Better takeup of post-retirement products is also likely to occur when superannuation fund members are better educated and advised about such products. In this regard, the scaled advice model envisaged by the FOFA reforms is intended to enable trustees (or those employed by them) to discuss issues such as adequacy of superannuation accumulation, interaction between members' superannuation interests and Centrelink entitlements and nomination of beneficiaries.

IBSA continues to focus on the implementation of higher level qualifications within the Financial Services Training Package as a pathway for VET learners. 2013 has seen various Institutes introduce Associate Degrees for graduates particularly as an educational pathway into specialist finance industry occupations.

**Figure 13: Enrolments in Financial Services qualifications and annual percentage change, 2009–12**

Source: VOCSTATS, [www.ncver.edu.au/resources/vocstats/intro.html](http://www.ncver.edu.au/resources/vocstats/intro.html), (extracted 22.07.2013).

## Uptake of training packages

The following data are reported from the annual NCVER VET Provider Collection and the quarterly Apprentice and Trainee Collection; these data report publicly funded training and fee-for-service VET provided by public institutions. They will assist consideration of trends in the uptake and use of publicly funded VET in IBSA's training packages.

The tables and figures should be read understanding that significant amounts of training also occurs outside the publicly funded VET system, including:

- fee-for-service training in national qualifications provided by private training providers
- in-house training in national qualifications delivered by enterprise RTOs, and

- non-accredited training conducted in house or by external providers.

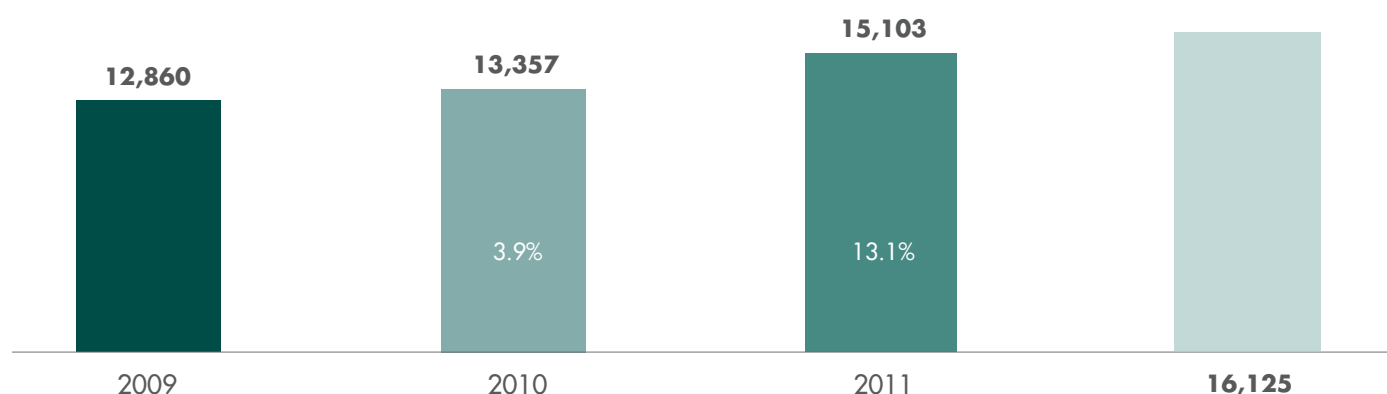
Attempts to directly correlate these tables of commencement and completion should be avoided because:

- an enrolment is recorded for each year the course is active, thus multiple enrolments are recorded when a course is undertaken over more than one year, and
- completions are not uniformly reported, ie some jurisdictions only report completions when they award a certificate (rather than a Statement of Attainment) and this is only done when requested and paid for by the completing student.

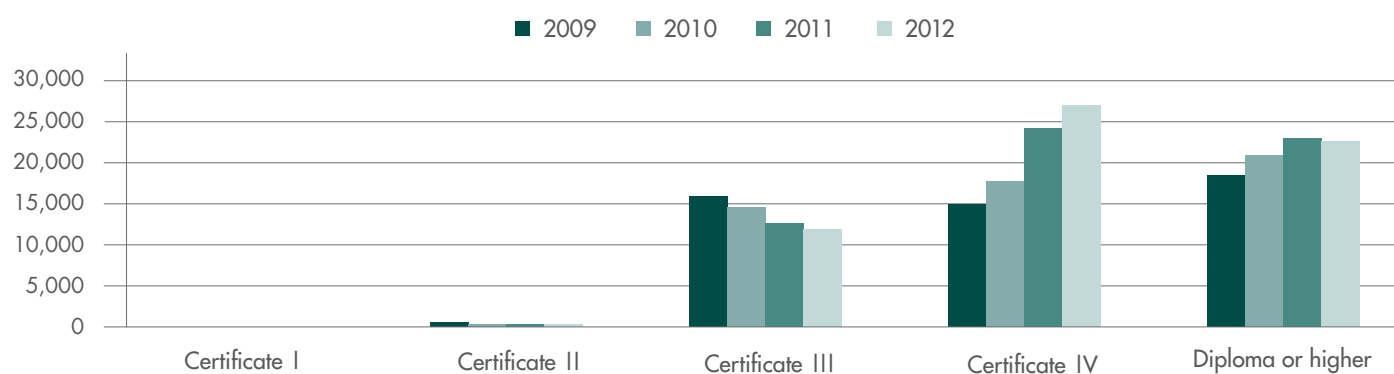
These factors may result in an over reporting of enrolments and under reporting of completions.

## Enrolments and qualifications issued

In 2012 there were 61,845 enrolments in Financial Services qualifications. Enrolments grew only slightly between 2011 and 2012, not nearly as fast as they grew in the previous two years – see Figure 13.

**Figure 14: Qualifications issued in Financial Services and annual percentage change, 2009–12**

Source: National VET Provider Collection data, including preliminary data for 2012 not yet in VOCSTATS, as provided by NCVET on 07.08.2013.

**Figure 15: Enrolments by qualification level in Financial Services, 2009–12**

Source: VOCSTATS, [www.ncver.edu.au/resources/vocstats/intro.html](http://www.ncver.edu.au/resources/vocstats/intro.html), (extracted 24.07.2013).

Qualifications issued in Financial Services show an average annual increase of 7.8 percent between 2009 and 2012. This is preliminary data, which is subject to upwards revision following the next collection.

Higher level financial services qualifications are in increasing demand. Data presented in Figure 17 highlights that enrolments in Financial Services Certificates III and below are decreasing, while enrolments for Certificate IV and higher are increasing or remaining relatively stable. The highest overall enrolments are in Certificate IV. There are very few enrolments in Certificates I and II. Interestingly, demand for Diploma

or higher qualifications levelled off in 2012, despite the well-documented need for higher level skills in this industry.

For 2012, the five Financial Services qualifications with the highest enrolments represented 77.9 per cent of total course enrolments in that package. These qualifications are listed right, with the total number of enrolments in brackets.

For 2012, the five Financial Services qualifications from the current FNS10 Training Package that had the lowest reported enrolments are listed below right, with the total number of enrolments in 2012 in brackets.

Most of the Financial Services enrolments are in NSW and Victoria. NSW enrolments have been increasing strongly over the four years to 2012, while a large increase in Victoria in 2011 was followed by a slump in 2012. Enrolments in Queensland have been in decline in the last two years. Enrolments in South Australia increased in 2012, reversing the slight decline in 2011. See Figure 16.

Not surprisingly, most enrolments have been in the major cities. Numbers have been fairly stable over time in outer regional and remote areas, while increasing slightly in major cities and inner regional areas.

**Figure 16: Enrolments by state and territory in Financial Services qualifications, 2009–12**

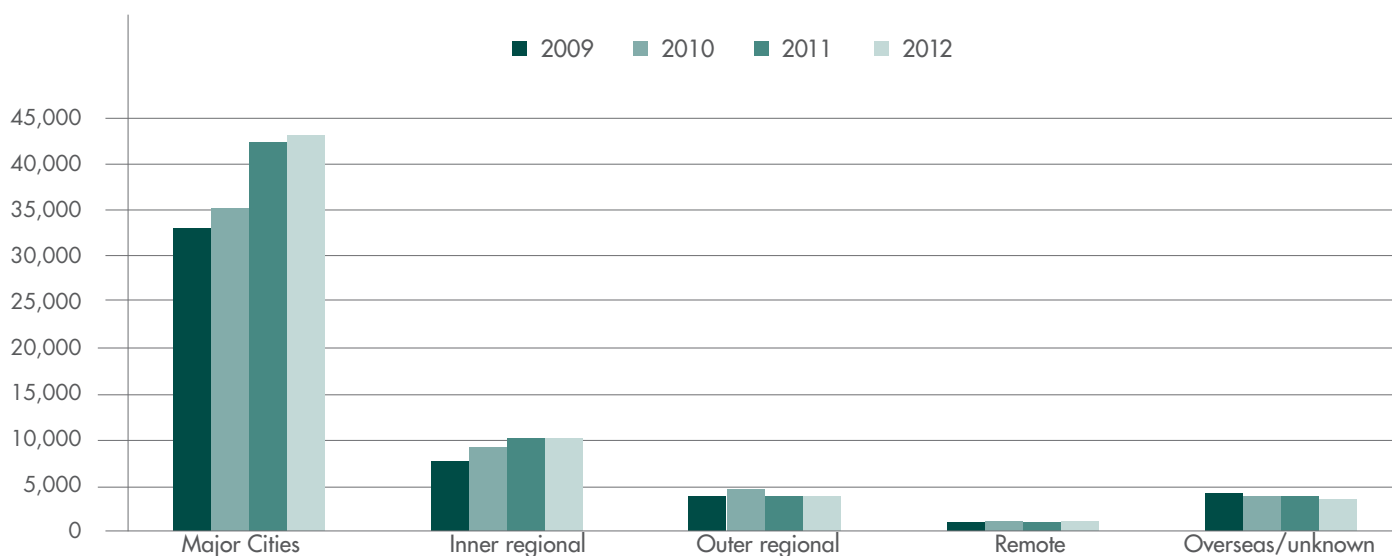
Source: VOCSTATS, [www.ncver.edu.au/resources/vocstats/intro.html](http://www.ncver.edu.au/resources/vocstats/intro.html), (extracted 24.07.2013).

**TABLE 2: THE FIVE FINANCIAL SERVICES QUALIFICATIONS WITH THE HIGHEST ENROLMENTS**

FNS40611, FNS40610, FNS40604	Certificate IV in Accounting (14,120)
FNS50210, FNS50204	Diploma of Accounting (12,753)
FNS40211, FNS40210, FNS40207	Certificate IV in Bookkeeping (8,979)
FNS30311, FNS30310	Certificate III in Accounts Administration (7,511)
FNS60210, FNS60204, FNB60202	Advanced Diploma of Accounting (4,797)

**TABLE 3: THE FIVE FINANCIAL SERVICES QUALIFICATIONS WITH THE LOWEST ENROLMENTS**

FNS40710	Certificate IV in Financial Practice Support (1)
FNS40410	Certificate IV in Personal Injury Management (Return to Work) (3)
FNS51210	Diploma of Insurance Broking (4)
FNS41110	Certificate IV in Financial Markets Operations (10)
FNS51510	Diploma of Credit Management (13)

**Figure 17: Enrolments in Financial Services qualifications by student remoteness region, 2009–12**

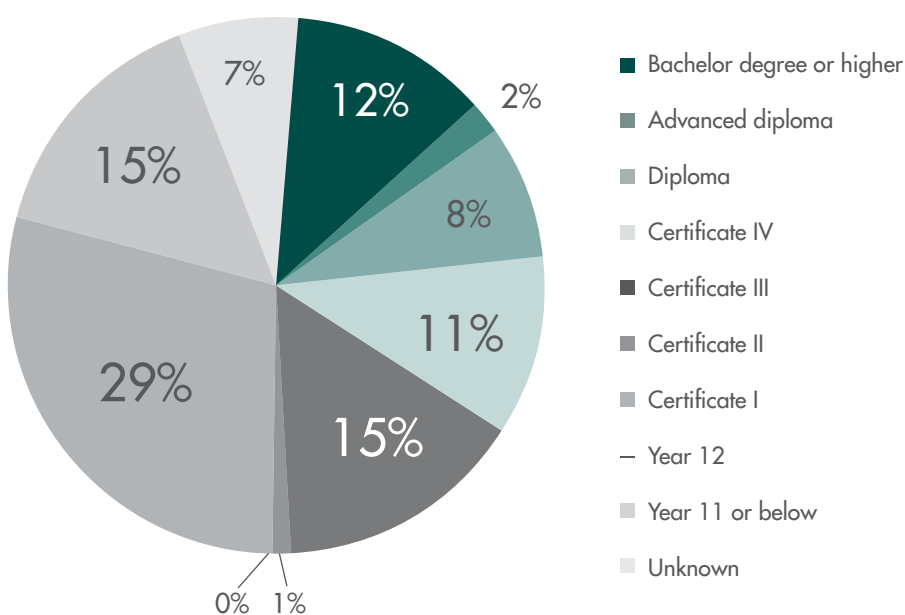
Source: VOCSTATS, [www.ncver.edu.au/resources/vocstats/intro.html](http://www.ncver.edu.au/resources/vocstats/intro.html), (extracted 24.07.2013 and 26.07.2013).

Note: Data for 2009 and 2010 are based on the Student Remoteness Region 2006 (ARIA+), while data for 2011 and 2012 are based on the Student Remoteness Region 2011 (ARIA+).

### Student characteristics

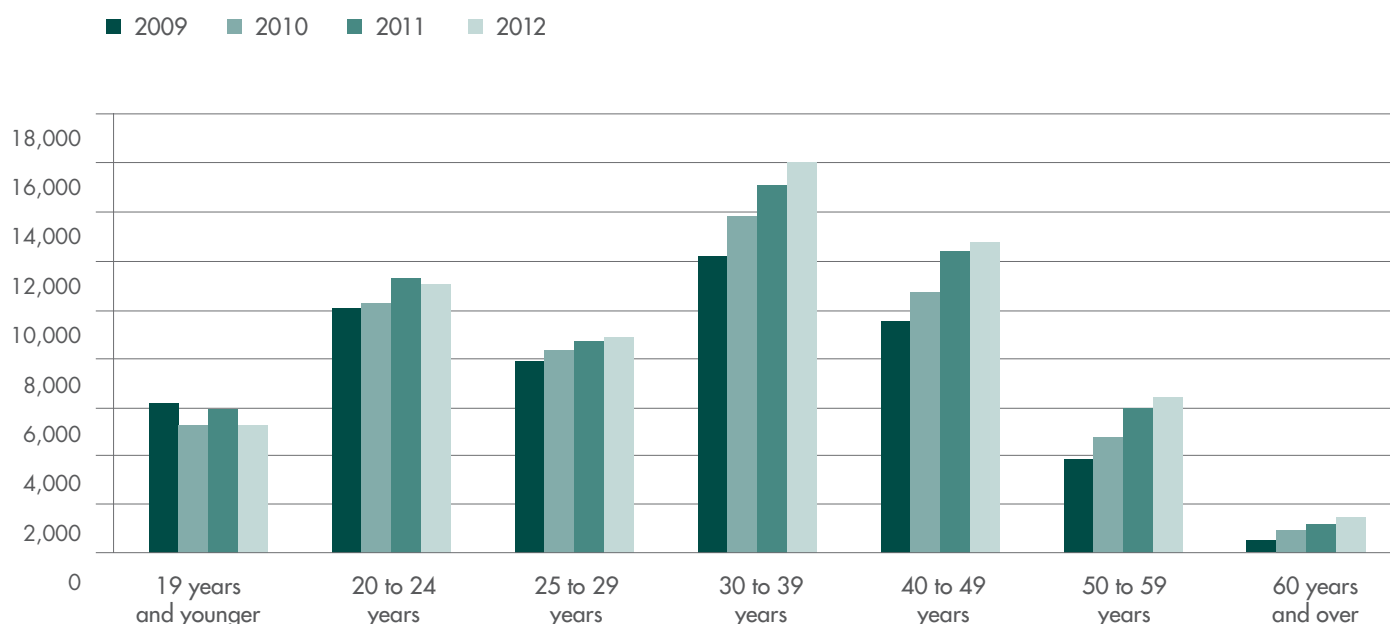
While almost a third of students have Year 12 as their highest previous education level, 12.0 percent of VET financial services students already have a Bachelor degree or higher degree. This is a relatively high proportion of students, compared with similar services occupations, such as IT and Business, which both have 8.0 percent degree-qualified participants. See Figure 18.

A relatively large and increasing proportion of Financial Services students are in the older age groups. There are many more students aged over 30 than there are aged under 30. Students in the 40 to 49 age group outnumber those in the 20 to 24 age group. There are also many more Financial Services students aged over 50 than under 19. This development has occurred within the last three years. The 30 to 39 age group is the fastest growing of all age groups.

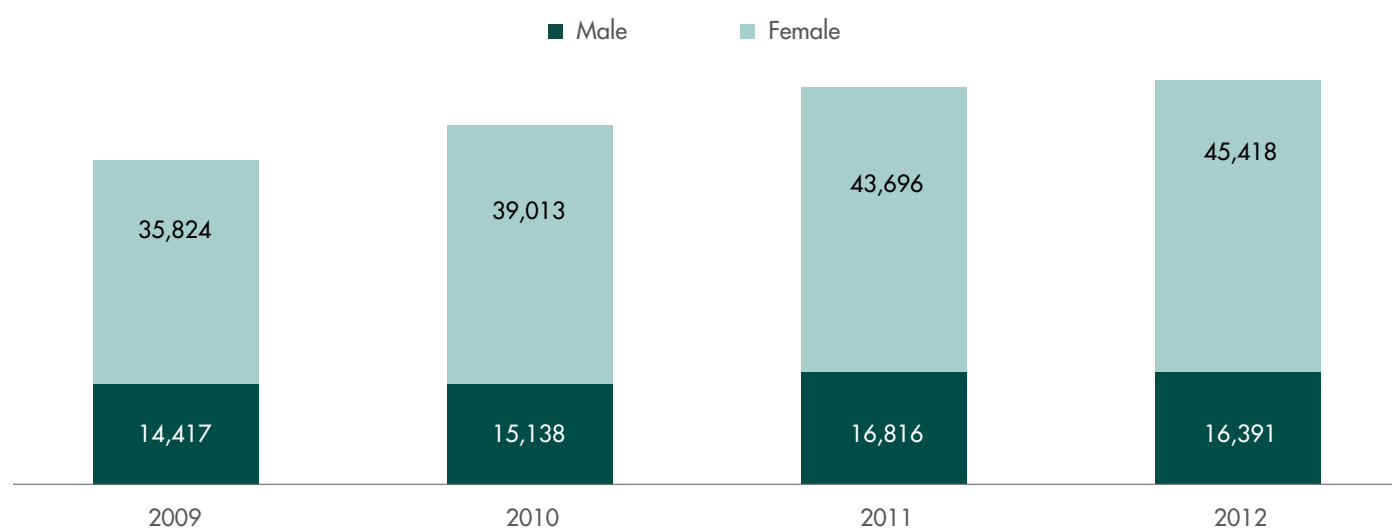
**Figure 18: Previous highest education level of participants enrolled in Financial Services qualifications, 2012**

Source: VOCSTATS, [www.ncver.edu.au/resources/vocstats/intro.html](http://www.ncver.edu.au/resources/vocstats/intro.html), (extracted 07.08.2013).



**Figure 19: Enrolments by age group in Financial Services qualifications, 2009–12**

Source: VOCSTATS, [www.ncver.edu.au/resources/vocstats/intro.html](http://www.ncver.edu.au/resources/vocstats/intro.html), (extracted 26.07.2013).

**Figure 20: Enrolments in Financial Services qualifications by sex, 2009–12**

Source: VOCSTATS, [www.ncver.edu.au/resources/vocstats/intro.html](http://www.ncver.edu.au/resources/vocstats/intro.html), (extracted 26.07.2013).

Despite the pay gap for women in the industry, females outnumber males enrolled in financial services qualifications by a factor of almost 3 to 1. This disparity has been increasing over time. See Figure 20 (above).

Over two thirds of financial services students are part time. Numbers of students undertaking their courses online or remotely has increased rapidly with over a quarter now choosing to study this way, up from 20 percent in

2011. Nevertheless, financial services students are still largely campus based. Less than 10 percent undertake their qualification through an apprenticeship or traineeship.

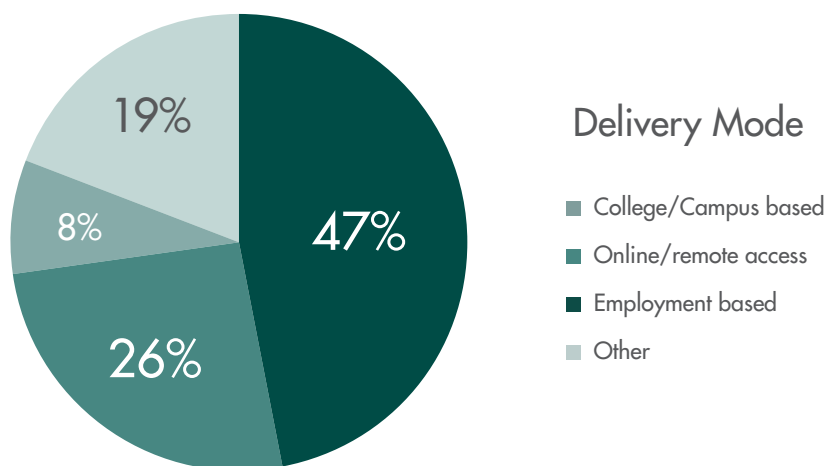
Over 3,500 students completed their financial services qualification through an employment-based arrangement in 2012. There has been very little change in commencements, completions, cancellations or in training numbers since 2011; however, commencements and completions have increased since 2009 and 2010. See Figure 22.

## Outlook for training

Looking ahead to what financial services organisations may need from employees in the immediate future, a number of areas require particular attention by the VET sector.

- Communication skills – Financial services staff need to be able to combine their technical skills with the ability to communicate their knowledge through strong speaking, writing and presentation skills. Relationship management or interpersonal skills are also vital to work in a modern financial firm. This is because:
  - + managing relationships with clients is becoming more complex as customer expectations increase and customers are able to 'self-serve' on simple tasks and mostly require human responses around more complex issues, and
  - + as companies are increasingly conducting business with overseas companies, the ability to develop strong, trusting business partnerships is expected to benefit firms.

**Figure 21: Enrolments in Financial Services qualifications by study and delivery mode, 2012**



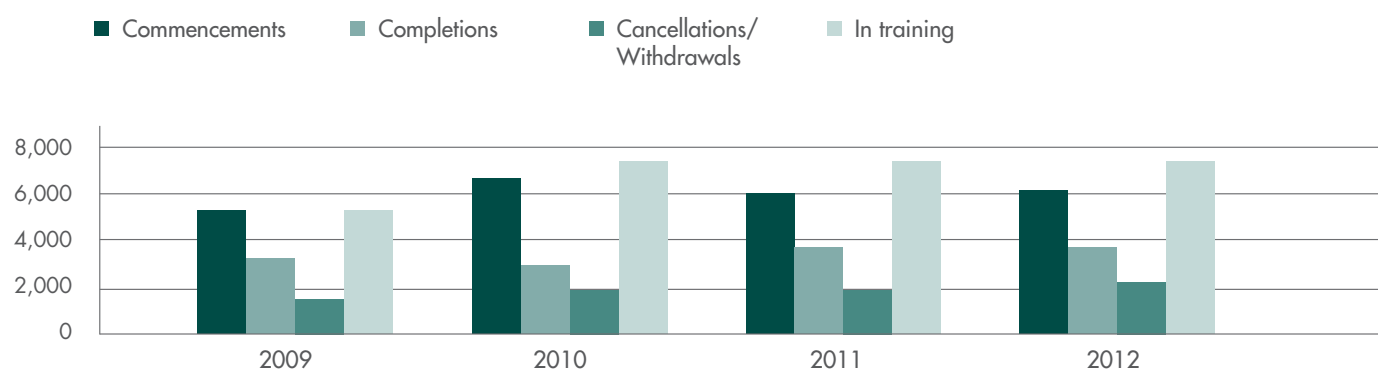
Source: VOCSTATS, [www.ncver.edu.au/resources/vocstats/intro.html](http://www.ncver.edu.au/resources/vocstats/intro.html), (extracted 26.07.2013).

- Technological skills – Computer literacy with spreadsheets, word processors, presentation packages and large scale data management tools has always been important in finance jobs. This is especially true for entry level positions. New technologies, including cloud computing and big data, increase this requirement. There is a long way to go to realise the benefits of social media in the Financial Services sector. Employees are expected to create engaging content, understand how messages move, comply with ethical and legal guidelines around use and generally leverage this technology to meet business

objectives. Also, given the increasing variety of technological products and services on offer, senior staff need to have a strategic understanding about technology in order to understand which of the various products and platforms should be adopted and how they should be deployed within the organisation.

- International skills – As economies become more globally harmonised and interconnected, and developing economies offer new opportunities for trade, investment and skills exchange, it may be important for financial services organisations to be skilled in international relations, particularly to have 'Asia competence'. Employees

**Figure 22: Apprenticeship and traineeship commencements, completions, cancellations/withdrawals and numbers in training in Financial Services qualifications, 2009–12**



Source: Apprentices and Trainees Collection from VOCSTATS, [www.ncver.edu.au/resources/vocstats/intro.html](http://www.ncver.edu.au/resources/vocstats/intro.html), (extracted 23.07.2013).

Notes specific to Apprenticeship and Traineeship statistics: Figures are based on date of effect rather than the date of processing. Due to lags in reporting and processing, the most recent figures (generally those for the last seven quarters, or two years) are estimates and are subject to revision.

are expected to recognise and respect different perspectives, understand the interaction of ideas across cultures, use appropriate language and behaviour to communicate with culturally different audiences, including conversing in different languages, and work within different political, regulatory, economic and social systems.

- **Ethics and risk management**– Companies want to rebuild trust following the economic downturn and be able to respond to more stringent compliance regimes. Staff need to understand and instinctively apply

the principles of integrity, objectivity, competence, fairness, confidentiality, professionalism and diligence. Corporate governance and risk management by boards may need to be given higher priority to ensure ethical, compliant approaches are systematically applied and reporting is transparent and accurate.

- **Analytical skills** – Increasing quantities of data available to financial services companies require skilled analysts who can decipher meaning beyond the raw data and effectively communicate meaning to aid decision making.

While these skills have specific meaning in a finance context, for the most part they are generic employability skills. The new Core Skills for Work Framework would provide a good basis for developing such skills. The Framework can be used by trainers, educators and those who work with job seekers to more explicitly address the development of skills around connecting and working with others, recognising and utilising diverse perspectives, working in the digital world and responding to legal rights and responsibilities.

# Future directions

Research and consultations indicate that a balanced set of technical and product knowledge and soft skills should be a focus for future workforce development in the Financial Services industry.

In particular, strong leadership and management skills are required, with a focus on providing mentoring and coaching for first time managers. Leaders in the industry are expected to have a strategic understanding about technology in order to decide which products and platforms should be adopted and how they should be deployed within the organisation. A good understanding of other cultures, languages, political, economic and social systems, particularly those of Asian countries, may also be important for leaders so that firms can develop collaborative relationships and connections with others in the region.

Financial Services employees increasingly need to be multiskilled so that they have sufficient breadth and depth of knowledge to work across a business and they need to have strong communication and interpersonal skills to manage higher customer service expectations and more complex inquiries. A typical new environment is the information and advice required by clients when considering their total future needs post-retirement, often a conversation with their superannuation provider who needs the skills and knowledge to cover information on accommodation and care options, as well as retirement income to support lifestyle choices.

Social media literacy is also important for this workforce; this includes technical and creative skills, as well as an understanding of the ethical and legal implications of social media use and how to leverage social media for business objectives.

Analytical skills, always important in the Financial Services industry, need special attention with the increasing quantities of data available. Skilled analysts can decipher meaning beyond the raw data and effectively communicate what the data is saying to aid decision making.

Finally, Financial Services workers are working within a tightening compliance environment. They are expected to not only need to understand their new regulatory obligations, but also learn to instinctively apply the principles of integrity, objectivity, competence, fairness, confidentiality, professionalism and diligence in their work.

Assessment of the Financial Services Training Package's integration of the Core Skills for Work Framework is already underway (including Work in a Digital World, Manage Career and Work Life, Connect and Work with Others, Recognise and Utilise Diverse Perspectives and Respond to Legal Rights and Responsibilities). This work is expected to contribute to addressing a number of the challenges outlined above. However, this Escan has identified additional priorities for IBSA.

## Priorities for IBSA training packages

- Assess where the Financial Services Training Package needs to:
  - + integrate units on relationship management, business partnerships and Asia competence (higher level qualifications)
  - + adopt technical content on compliance and audit requirements

- + assist development of high level communication and customer service and advice skills for frontline workers, including cross systems and product advice, and
- + review qualifications and adjust qualifications and units against ASIC requirements.

## Supporting a responsive national VET system

- Encourage financial services businesses to:
  - + mentor and coach first time managers, and
  - + support women into higher level positions, including through mentoring and sponsorship.
- Develop training materials, contextualised to the needs of the Financial Services industry, which support the Core Skills for Work Framework
- Support the strengthening of specialist knowledge as well as the generic knowledge in Financial Services businesses

The following table summarises the workforce development challenges in this industry:

**Table 4: Workforce development challenges**

Workforce development challenge:	Impact on:	Critical future skills:
Need for strong analytical, communication and interpersonal skills and interactions as data becomes more complex.	All businesses	<ul style="list-style-type: none"> <li>■ speaking and presentation skills</li> <li>■ interpersonal skills</li> <li>■ business partnerships</li> <li>■ analytical skills</li> <li>■ core skills for work</li> </ul>
New technologies, transforming how work is undertaken	All businesses	<ul style="list-style-type: none"> <li>■ social media skills</li> <li>■ cloud computing</li> <li>■ data analytics</li> <li>■ strategic ICT skills</li> <li>■ general digital literacy</li> <li>■ analytical skills</li> <li>■ project management skills</li> </ul>
Increasing partnerships and trade relationships with different countries, particularly Asian countries	Businesses involved in international trade or partnerships with overseas firms	<ul style="list-style-type: none"> <li>■ Asia competence</li> <li>■ working with diversity</li> <li>■ language skills, particularly Asian languages</li> <li>■ awareness of international rules and regulations</li> </ul>
More stringent compliance regimes and customer expectations for transparency and accountability	All businesses	<ul style="list-style-type: none"> <li>■ corporate governance</li> <li>■ risk management</li> <li>■ ethics</li> <li>■ sustainability</li> <li>■ compliance</li> </ul>
Expectations for more flexible and supportive workplaces	All businesses	<ul style="list-style-type: none"> <li>■ leadership and management skills</li> <li>■ interpersonal skills and two-way communication</li> <li>■ mentoring and coaching</li> <li>■ frontline management</li> </ul>
Develop capacity to deliver cross systems and product advice to specific clients, ie post-retirement	Superannuation, financial advice, accounting insurance businesses	<ul style="list-style-type: none"> <li>■ sector technical skills</li> <li>■ research and analytic skills</li> <li>■ wide product knowledge</li> </ul>

# Appendix A

## Methodology and bibliography

### Methodology and stakeholder input

Statistical information for this report was gathered through a desktop research process from a range of sources as indicated in the bibliography.

Further input into this Escan was gathered from industry stakeholders via a series of consultation forums held in 2013. Forums were held in Melbourne, Hobart, Brisbane, Sydney, Perth and Adelaide.

Survey tools were used at each of the forums to gather information from participants, including advice on occupations in demand.

This Escan was validated by IBSA's Industry Advisory Committee and State and Territory Advisory Network representatives in October 2013.

### The following organisations have made valuable contributions to this Escan:

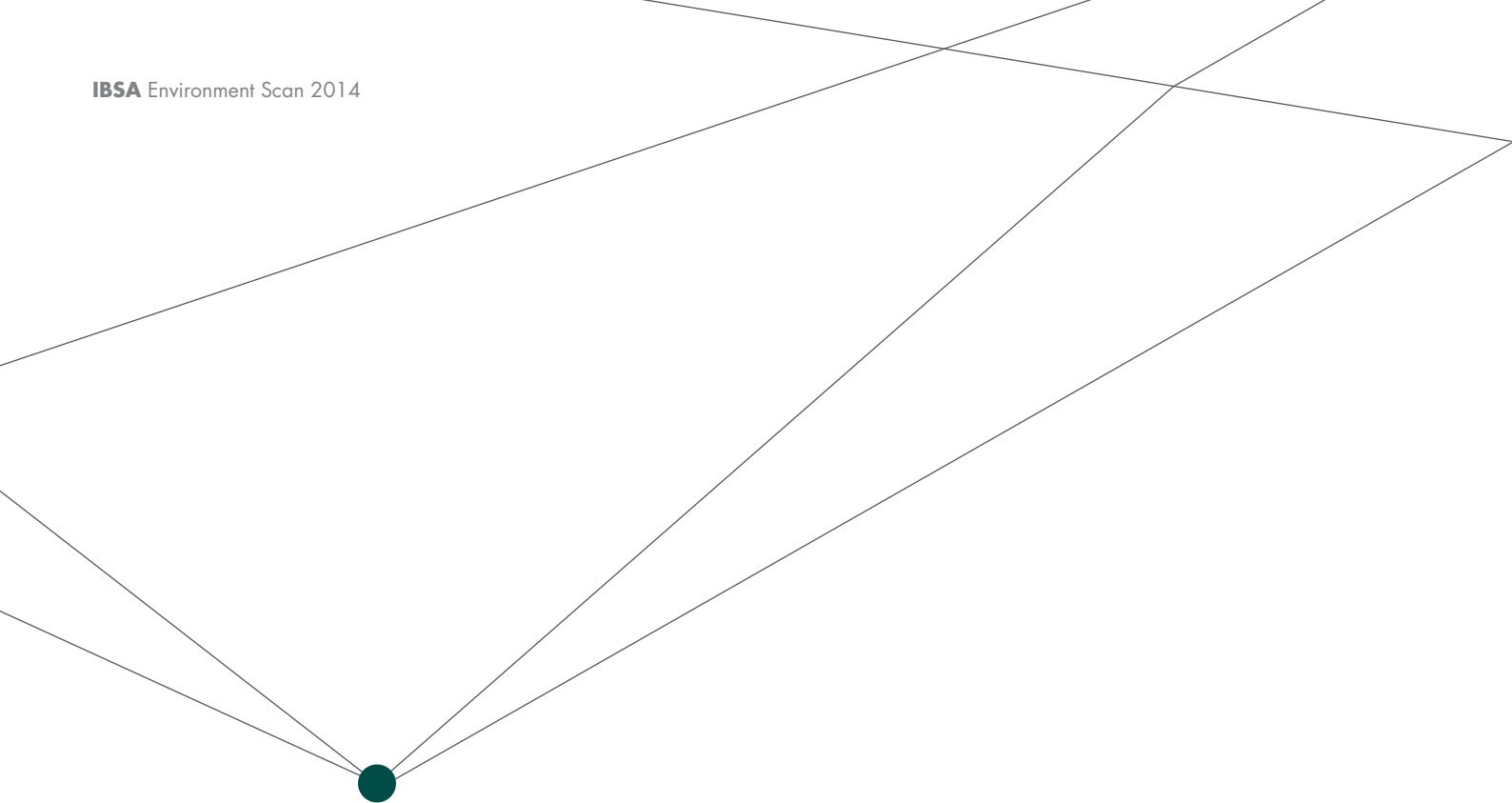
Ability Associates Australia  
Aboard Training Australia and Frank Lee Services  
Access Training Centre  
ACS Foundation WA  
Addendum Learning Services  
Adelaide Business Hub  
Adelaide College of the Arts TAFE  
Advance Business Specialists (ABS)  
Aegis Aspire  
Aegis Services Australia Pty Ltd  
Australian and New Zealand Institute of Insurance and Finance (ANZIIF)  
Arts Centre Melbourne  
Arts Communications Finance Industries and Property Services (ACFIPS)  
Arts Industry Council of South Australia  
Ashley Institute of Training  
Association of Independent Schools

Atsolutions  
Australian Army  
Australian Broadcasting Corporation (ABC)  
Australian Business School  
Australian Child Care Career Options  
Australian College of Commerce & Management  
Australian College of Training  
Australian Computer Society  
Australian English Language Centre (AELC)  
Australian Financial Management Association (AFMA)  
Australian Industry Trade College  
Australian Institute of Financial Services and Accounting (AIFA)  
Australian Institute of Management QLD NSW ACT and NT (AIM QNAN)

Australian Institute of Management Western Australia (AIM WA)  
Australian Institute of Personal Trainers  
Australian Marketing Institute  
Australian Medical Association (WA)  
Australian Nursing and Midwifery Education Centre  
Australian Skills Quality Authority  
Australian Tax Office  
Australis Institute  
Australian Professional Skills Institute  
Australian Vocational Education & Training Academy (AVETA)  
Avant-Garde Leadership/Institute for Sustainability & Social Innovation  
BankVic  
Belprince  
Betterlink Group  
Blossom Training



Box Hill Institute	Financial, Administrative and Professional Services Training Council (FAPSTC)	Metro Screen
BPG Training	Financial Education Professionals Pty Ltd	Metropolitan South Institute of TAFE
Brisbane North Institute of TAFE (BNIT)	Financial, Administrative & Professional Services Training Council	MiDel Education Pty Ltd
Bunyip Consulting	FINSART inc.	Miss Music Biz
Business Foundations	Foundation Education	Mosaic Audio Visual Pty Ltd
Byron College	Fuji Xerox Australia Pty Ltd	MSIT Creative Industries Graphic Design
Canberra Institute of Technology	FutureNow	National Insurance Brokers Association
Career Employment Australia	GippsTAFE	National training organisation
Careers Australia	Goodstart Institute of Early learning	Navitas Professional
Cato HR	Greenline AG Pty Ltd	NBN Co.
Central College Online	Group Training Australia (SA) Inc.	New Horizons Learning Centre(Perth)
Central Institute of Technology	Hamilton Secondary College	Newskills Limited
Centre for Adult Education (CAE) Australia	Heritage Bank Ltd	Northern Melbourne Institute of TAFE (NMIT)
Centre for Innovative Industries Economic Research (CIIER)/Australian Computer Society - Victoria	Humanagers	Norgrove Training
Challenger Institute of Technology	Industry Skills Unit, Sydney Institute, TAFE NSW	NSW Police
Chamber of Commerce and Industry WA	Infinite Education & Training	OAK Tasmania
Chisholm Institute	Insources Education	Open Channel Co-operative
City of Unley	Institute of Certified Bookkeepers	Open Colleges
Communications and Information Technology Training (CITT)	Intellitrain	Paradigm Infinitum
Community College Gippsland	Interlink Technology Services P/L	Participate Film Academy
Community Services, Health & Education Training Council	Intellectual Property (IP) AUSTRALIA	Performis Pty Ltd
Construction, Forestry, Mining and Energy Union (CFMEU)	Jenard Training and Personnel	Personal Injury Education Foundation
CPA Australia	Leadership Learning Dynmaics	Perth Institute of Contemporary Arts (PICA)
Creative Corporate Solutions	Learning Verve	Pilbara Institute
Creative Industries Skills Council	Lennox Institute	Pivot Solutions Pty Ltd trading as The Pivot Institute
Crown Institute of Business and Technology	Line Management Institute of Training	Polytechnic West - Australian Centre for Work Safety
C. Y. O'Connor Institute	Live Performance Australia	Printing Industries Association of Australia
Dean McDonald Consulting	Leadership Management Australia (LMA) - Farley Group	Professional Training & Assessment
Department of Commerce	Locher and Associates	Provet Pty Ltd
Department of Defence - Army	Major Training Group	Queen Anne English College
Development Dynamics	Management Consultancy International	Queensland Catholic Education Commission
Department of Further Education, Employment, Science and Technology (DFEEST)	Mansfield Adult Continuing Education	Queensland Tourism Industry Council
Ducere	Macquarie Education Group Australia (MEGA)	Radio Adelaide
Elan Projects	Master Electricians SkillsConnect	Ramsden Telecommunications Training
ENHANCE Training & Recruitment	Meagan Newton Training and Consultant	Raytheon Australia
Esset Australia	Media, Entertainment & Arts Alliance	REACH for Training
Evocca College	MEGT	Response Learning
Evolve Training Solutions	Mental Health Coalition of SA	Rhodes College
Excel Training	Merinda Park Learning and Community Centre	SA Ambulance Service
		SA Power Networks
		Scott Adam Management



Serco Global Services  
 Service Skills South Australia  
 Shoreline Learning and Development  
 SKILLED Group  
 SkillsHQ  
 Society of Motion Picture and Television Engineers  
 Software Publications Pty Ltd  
 Solutions Business Services  
 Southbank Institute of Technology  
 Southern cross education institute  
 Spectra Training  
 Spectrum Training  
 Star Training and Assessing  
 Sterling Business College  
 Suncorp  
 Superannuation Compliance Services  
 Sustainable Advantage Group Australia Pty Ltd  
 Sydney College of Business and IT  
 Sydney Community College  
 Sydney Film School  
 Sydney Institute of TAFE  
 Sydney Institute of Technology  
 TAFE Hunter Institute

TAFE NSW  
 TAFE NSW Open Training and Education Network (OTEN)  
 TAFE NSW South Western Sydney Institute (SWSI)  
 TAFE SA  
 TAFE SA Training Package Unit  
 Task Force Community Agency Inc.  
 Tasmanian Polytechnic/TasTAFE  
 Tasmanian Small Business Council  
 Technology Industry Association  
 Telstra  
 The Association of Superannuation Funds of Australia Limited  
 The Australian YMCA Institute of Education and Training (Perth Campus)  
 The Graphic Arts Merchants Association of Australia (GAMAA)  
 The Recovre Training Services Pty Ltd  
 THINK Education  
 Telecommunications Industry Training Advisory Board (TITAB) Australia  
 Training and Tertiary Education  
 Training Th@t Works  
 Trainwest

True North Education & Training  
 Tactical Training Group (TTG)  
 Universal Events Management  
 Upskilled  
 Victoria University  
 Victorian Aboriginal Education Association Incorporated  
 Victorian Institute of Culinary Arts and Technology  
 Victorian Working Party  
 Vostro Institute  
 Western Australian Academy of Performing Arts (WAAPA)  
 WA Department of Training & Workforce Development (WADTWD)  
 Walking Horse Music  
 West Coast Institute of Training (WCIT)  
 Western Australian Museum  
 Work & Training  
 Workfit Australia Pty Ltd  
 WorkSafe Victoria

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# Appendix B – Financial Services occupations in demand

IBSA reports critical occupations in demand to Government and industry stakeholders.

This alphabetical list reflects demand in the Financial Services industry for occupations and job roles reported at IBSA's Escan industry consultations and validations conducted in 2013. Underpinning industry intelligence and research were also incorporated into this list.

Qualifications that correspond to the occupations in demand are also provided. The 'bold' occupations and job roles represent reported occupations in demand.

**Table 5: Financial Services occupations in demand**

ANZSCO	OCCUPATION/ JOB ROLE	TRAINING PACKAGE QUALIFICATION	
Financial Services industry			
221111 221112 221113	Accountants/ accounting manager	FNS40611 FNS50210 FNS60110	Cert IV in Accounting Diploma in Accounting Advanced Diploma in Accounting
551111 551112	Accounts assistant/ accounts officer	FNS30311 FNS40611 FNS40211 FNS40710	Cert III in Accounts Administration Cert IV in Accounting Cert IV in Bookkeeping Cert IV in Financial Practice Support
<b>5121</b>	<b>Administrator and corporate operations officer</b>	<b>BSB40207 BSB50207 BSB60207</b>	<b>Cert IV in Business Administration Diploma of Business Administration Advanced Diploma of Business Administration</b>
221213 221214	Auditors – accounts, including Carbon	FNS30311 FNS40211 FNS40611 FNS50210 FNS60110 FNS60811	Cert III in Accounts Administration Cert IV in Bookkeeping Cert IV in Accounting Diploma in Accounting Advanced Diploma in Accounting Advanced Diploma Integrated Risk Management

Table 5: Financial Services occupations in demand (cont.)

ANZSCO	OCCUPATION/ JOB ROLE	TRAINING PACKAGE QUALIFICATION	
<b>221213</b> <b>221214</b>	<b>Auditors – compliance and regulation</b>	<b>FNS40611</b> <b>FNS50210</b> <b>BSB51607</b> <b>FNS60110</b> <b>FNS60811</b>	<b>Cert IV in Accounting</b> <b>Diploma in Accounting</b> <b>Diploma in Quality Auditing</b> <b>Advanced Diploma in Accounting</b> <b>Advanced Diploma Integrated Risk Management</b>
5512	Bookkeeper	FNS30111 FNS30311 FNS40211	Cert III in Financial Services Cert III in Accounts Administration Cert IV in Bookkeeping
<b>131112</b>	<b>Business development manager – financial planning</b>	<b>BSB40601</b> <b>BSB50207</b> <b>BSB60207</b>	<b>Cert IV in Business Sales</b> <b>Diploma of Business</b> <b>Advanced Diploma of Business</b>
222112	Business lending/ mortgage development	FNS41811 FNS40111 FNS40811 FNS50311	Cert IV in Financial Services Cert IV in Credit management Cert IV in Finance and Mortgage Broking Diploma of Credit Management Diploma of Finance and Mortgage Broking Management
541112 611312 149212	Customer and client services	FNS30111 FNS30311 FNS40111 BSB40610 BSB40311 FNS51511 BSB50207 BSB60207	Cert III in Financial Services Cert III in Accounts Administration Cert IV in Credit Management Cert IV in Business Sales Cert IV in Customer Contact Diploma of Credit Management Diploma of Business Advanced Diploma of Business
<b>599311</b>	<b>Debt collector</b>	<b>FNS30410</b> <b>FNS40110</b>	<b>Cert III in Mercantile Agents</b> <b>Cert IV in Credit Management</b>
222311	Financial planner/advisor Financial investment advisor	FSP511 FNS40107 FNS50611 FNS60410 FNS51011	Financial Planning Compliance Cert IV in Financial Services - Paraplanning Diploma of Financial Planning Advanced Diploma of Financial Planning Diploma of Financial Markets
599516 599599	Financial services investigations	FNS40611 FNS50210 FNS60110 FNS60811	Cert IV in Accounting Diploma in Accounting Advanced Diploma in Accounting Advanced Diploma Integrated Risk Management
222113	Insurance broker	FNS30610 FNS41710 FNS51210	Cert III in Insurance Broking Cert IV in Insurance Broking Diploma of Insurance Broking

Table 5: Financial Services occupations in demand (cont.)

ANZSCO	OCCUPATION/ JOB ROLE	TRAINING PACKAGE QUALIFICATION	
599611 599612 599613	Insurance consultant claims	FNS30511 FNS41411 FNS51110 FNS40107 FNS50107 FNS50811 FNS50110	Cert III in General Insurance Cert IV in General Insurance Diploma of General insurance Cert IV in Financial Services – Life Insurance Diploma of Financial Services – Life Insurance Diploma of Integrated Risk Management Diploma of Personal Injury Management
599611	Insurance officer – health and life insurance	FNS30204 FNS40107 FNS50107 FNS50811 FNS50110	Cert III in Insurance Services Cert IV in Financial Services – Life Insurance Diploma of Financial Services – Life Insurance Diploma of Integrated Risk Management Diploma of Personal Injury Management
221214	Manager/analyst business risk	FNS40111 FNS50811	Cert IV in Credit Management Diploma of Integrated Risk Management
<b>2222</b>	<b>Manager/analyst carbon trading</b>	<b>FNS60811 FNS51011</b>	<b>Advanced Diploma Integrated Risk Management Diploma of Financial Markets</b>
<b>132211</b>	<b>Manager/analyst compliance and regulation</b>	<b>FNS40611 FNS50210 BSB51607 FNS60110 FNS60811</b>	<b>Cert IV in Accounting Diploma in Accounting Diploma in Quality Auditing Advanced Diploma in Accounting Advanced Diploma Integrated Risk Management</b>
<b>552211 221213</b>	<b>Manager/analyst credit and audit compliance</b>	<b>FNS40110 FNS51510 BSB51607 FNS50811</b>	<b>Cert IV in Credit Management Diploma of Credit Management Diploma in Quality Auditing Diploma of Integrated Risk Management</b>
223113	Manager/analyst workers compensation	FNS41007 FNS50110	Certificate IV in Financial Services (Workers Compensation) Diploma of Personal Injury Management
222112	Mortgage/finance broker	FNS40811 FNS50311 FNS40111	Cert IV in Finance and Mortgage Broking Diploma of Finance and Mortgage Broking Management Cert IV in Credit Management
22312	Superannuation administration manager/analyst superannuation fund	FNS40910 FNS50710 FNS60513	Certificate IV in Superannuation Diploma of Superannuation Advanced Diploma of Superannuation
<b>222312</b>	<b>Superannuation advisor</b>	<b>FNS50711FN S60510</b>	<b>Diploma of Superannuation Advanced Diploma of Superannuation</b>



# Appendix C – NCVER data

The following data are reported from the National Centre for Vocational Education and Research (NCVER) VOCSTATS data warehouse, which includes data from the national annual VET Provider Collection and the quarterly national Apprentice and Trainee Collection. These collections bring together data on publicly funded training and fee-for-service VET provided by public institutions.

## About NCVER data

The tables and figures should be read understanding that significant amounts of training in national qualifications also occurs outside the publicly funded VET system, including:

- fee-for-service training in national qualifications provided by private training providers
- in-house training in national qualifications delivered by enterprise RTOs, and
- other nationally recognised or non-accredited training conducted in house or by external providers.

Consistent with NCVER reporting, the tables and figures also exclude delivery undertaken at overseas campuses of Australian VET institutions, credit transfer and VET delivered in schools, where the delivery has been undertaken by schools.

Completions data in this report includes all reported completions, regardless of whether the qualification was reported to NCVER as Issued or Not Issued. While the vast majority of reported qualification completions are reported as Issued, significant numbers of students complete a qualification but do not request that their qualification certificate be issued. Students may have to pay a fee to have the certificate issued. It is likely that reporting of qualifications issued is more comprehensive than that for qualifications that are not issued.

While the previous 2012 IBSA NCVER report referred to qualifications issued, the data presented in that report related

to all reported qualification completions as does this year's report. Hence the data in this report is comparable with that included in previous reports but the description has been updated to refer to qualifications completed.

Completions data for 2012 is preliminary and may be revised upwards in the 2013 VET Provider Collection, which accommodates further notification of qualifications completed in 2012.

Attempts to directly correlate or compare tables of commencements or enrolments and completions should be avoided due to the following:

- An enrolment in a qualification is recorded for each year the student's enrolment is active – the same qualification enrolment is counted in every year the student is undertaking the course. This over counts enrolments when compared to completions as a completion can occur at most only once for a student's enrolment in a qualification, regardless of how long the student takes to complete the qualification.
- There are different expected time spans between enrolment and completion for different qualifications and there are differences in the time an individual student may take to complete a particular qualification. Many qualifications take more than one year to complete. There is no clear link between an enrolment figure for one time period and a completion figure for another period.

- Completions are not uniformly reported. Some training organisations and jurisdictions mainly report completions when a certificate (rather than a Statement of Attainment) is awarded. Completions may thus be under-reported or there may be delays in reporting to reflect delays in issuing certificates.

Note: consistent with previous versions of this NCVER Data Report, IBSA qualifications for which enrolments have never been reported to the national VET Provider Collection by any training provider are not included in this Appendix.

## Qualifications with zero enrolments

The qualifications listed below were current at the end of 2012, were reported to the national collection as either publicly funded or fee-for-service activity at some point in time by at least one training organisation or jurisdiction but did not have any enrolments in publicly funded training and fee-for-service VET provided by public institutions for 2012. It's important to note that significant amounts of training occur outside the publicly funded VET system.

## Financial Services (FNS)

For 2012, the following current Financial Services qualification had no publicly funded enrolments:

FNS41710	Certificate IV in Insurance Broking
FNS51811	Diploma of Financial Services



## Financial Services - Enrolments

FNS – Financial Services – Enrolments	2009	2010	2011	2012
<b>ACCOUNTING</b>				
FNS40611, FNS40610, FNS40604, FNB40602 – Certificate IV in Accounting	11,134	11,497	11,415	14,120
FNS50210, FNS50204, FNB50202 – Diploma of Accounting	10,516	11,562	12,231	12,753
FNS60210, FNS60204, FNB60202 – Advanced Diploma of Accounting	6,234	6,336	6,221	4,797
<b>ADMINISTRATION</b>				
FNS30311, FNS30310, FNS30304, FNB30302 – Certificate III in Accounts Administration	12,323	11,229	9,971	8,825
<b>BANKING</b>				
FNS41011, FNS41010 – Certificate IV in Banking Services	0	0	172	549
FNS50910, FNS51204 – Diploma of Banking Services Management	547	590	576	791
FNS60610 – Advanced Diploma of Banking Services Management	0	0	11	50
<b>BOOKKEEPING</b>				
FNS40211, FNS40210, FNS40207 – Certificate IV in Bookkeeping	1,951	4,976	7,711	8,979
<b>CONVEYANCING</b>				
FNS50411, FNS50410, FNS50604 – Diploma of Conveyancing	442	748	768	621
FNS60311, FNS60310, FNS60304 – Advanced Diploma of Conveyancing	76	175	229	319
<b>CREDIT MANAGEMENT</b>				
FNS40111, FNS40110, FNS40304 – Certificate IV in Credit Management	99	127	132	72
FNS51510 – Diploma of Credit Management	0	0	8	13

## Financial Services - Enrolments (cont.)

FNS – Financial Services – Enrolments	2009	2010	2011	2012
<b>FINANCIAL MARKETS</b>				
FNS41110 – Certificate IV in Financial Markets Operations	0	0	10	10
<b>FINANCIAL PLANNING</b>				
FNS50611, FNS50610, FNS50804 – Diploma of Financial Planning	343	1,019	1,286	1,641
FNS60410, FNS60404 – Advanced Diploma of Financial Planning	22	70	291	383
<b>FINANCIAL PRACTICE</b>				
FNS40710, FNS40704 – Certificate IV in Financial Practice Support	0	0	1	1
<b>FINANCIAL RISK MANAGEMENT</b>				
FNS51104 – Diploma of Financial Risk Management	0	10	0	0
<b>FINANCIAL SERVICES</b>				
FNS10110, FNS10104 – Certificate I in Financial Services	87	64	112	54
FNS20111, FNS20110, FNS20104 – Certificate II in Financial Services	632	544	317	255
FNS30111, FNS30110, FNS30107, FNS30104, FNB30199 – Certificate III in Financial Services	3,541	3,282	2,592	2,656
FNS41811, FNS40107, FNS40104 – Certificate IV in Financial Services	582	724	4,447	2,782
FNS50107, FNS50104 – Diploma of Financial Services	252	281	574	394
FNS60104 – Advanced Diploma of Financial Services	126	85	115	75

## Financial Services - Enrolments (cont.)

FNS – Financial Services – Enrolments	2009	2010	2011	2012
<b>INSURANCE</b>				
FNS30510 – Certificate III in General Insurance	0	0	12	15
FNS30610, FNS30204 – Certificate III in Insurance Broking	5	1	10	31
FNS41411, FNS41410 – Certificate IV in General Insurance	0	0	5	87
FNS51210 – Diploma of Insurance Broking	0	0	3	4
FNS51310 – Diploma of Life Insurance	0	0	0	85
<b>MERCANTILE AGENT</b>				
FNS30410, FNS30404 – Certificate III in Mercantile Agents	172	86	43	65
<b>MORTGAGE BROKING</b>				
FNS40811, FNS40810, FNS40804 – Certificate IV in Finance and Mortgage Broking	1,062	463	382	295
FNS50311, FNS50310, FNS50504 – Diploma of Finance and Mortgage Broking Management	122	296	792	812
<b>PERSONAL INJURY</b>				
FNS40410 – Certificate IV in Personal Injury Management (Return to Work)	0	0	0	3
<b>PERSONAL INJURY CLAIMS MANAGEMENT</b>				
FNS30210, FNS30507 – Certificate III in Personal Injury Management (Claims Management)	0	3	17	25
FNS40310, FNS41007 – Certificate IV in Personal Injury Management (Claims Management)	0	13	28	57
FNS50110, FNS51407 – Diploma of Personal Injury Management	0	10	45	77
<b>SUPERANNUATION</b>				
FNS40911, FNS40910 – Certificate IV in Superannuation	0	0	12	115
FNS50710 – Diploma of Superannuation	0	0	7	19
FNS60510 – Advanced Diploma of Superannuation	0	0	0	15
FNS – Financial Services – Qualification Completions	2009	2010	2011	2012

## Financial Services - Qualification Completions

FNS – Financial Services – Qualification Completions	2009	2010	2011	2012
<b>ACCOUNTING</b>				
FNS40611, FNS40610, FNS40604, FNB40602 – Certificate IV in Accounting	2,001	2,183	2,308	2,677
FNS50210, FNS50204, FNB50202, FNB50299 – Diploma of Accounting	2,189	2,487	2,871	2,001
FNS60210, FNS60204, FNB60202, FNB60299 – Advanced Diploma of Accounting	1,487	1,469	1,577	1,017
<b>ADMINISTRATION</b>				
FNS30311, FNS30310, FNS30304, FNB30302 – Certificate III in Accounts Administration	3,005	2,776	2,900	2,178
<b>BANKING</b>				
FNS41011, FNS41010 – Certificate IV in Banking Services	0	0	60	198
FNS50910, FNS51204 – Diploma of Banking Services Management	239	203	197	509
FNS60610 – Advanced Diploma of Banking Services Management	0	0	6	31
<b>BOOKKEEPING</b>				
FNS40211, FNS40210, FNS40207 – Certificate IV in Bookkeeping	534	1,345	1,891	2,166

## Financial Services - Qualification Completions (cont.)

FNS – Financial Services – Qualification Completions	2009	2010	2011	2012
<b>CONVEYANCING</b>				
FNS50410, FNS50604 – Diploma of Conveyancing	59	98	163	147
FNS60310, FNS60304 – Advanced Diploma of Conveyancing	17	11	21	60
<b>CREDIT MANAGEMENT</b>				
FNS40110, FNS40304 – Certificate IV in Credit Management	21	34	67	28
FNS51510 – Diploma of Credit Management	0	0	0	1
<b>FINANCIAL MARKETS</b>				
FNS41110 – Certificate IV in Financial Markets Operations	0	0	4	0
<b>FINANCIAL PLANNING</b>				
FNS50611, FNS50610, FNS50804 – Diploma of Financial Planning	138	343	502	672
FNS60410, FNS60404 – Advanced Diploma of Financial Planning	8	12	15	57
<b>FINANCIAL PRACTICE</b>				
FNS40704 – Certificate IV in Financial Services (Financial Practice Support)	0	0	1	0
<b>FINANCIAL RISK MANAGEMENT</b>				
FNS51104 – Diploma of Financial Risk Management	0	0	5	0

## Financial Services - Qualification Completions (cont.)

FNS – Financial Services – Qualification Completions	2009	2010	2011	2012
<b>FINANCIAL SERVICES</b>				
FNS10110, FNS10104 – Certificate I in Financial Services	87	79	69	27
FNS20111, FNS20110, FNS20104 – Certificate II in Financial Services	195	190	161	43
FNS30111, FNS30110, FNS30107, FNS30104, FNB30199 – Certificate III in Financial Services	1,452	1,293	1,033	687
<b>FINANCIAL SERVICES</b>				
FNS41811, FNS40107, FNS40104, FNB40199 – Certificate IV in Financial Services	166	167	503	2,634
FNS51811, FNS50107, FNS50104 – Diploma of Financial Services	71	50	97	95
FNS60104 – Advanced Diploma of Financial Services	74	46	17	18
<b>INSURANCE</b>				
FNS30510 – Certificate III in General Insurance	0	0	0	11
FNS30610, FNS30204 – Certificate III in Insurance Broking	2	0	3	16
FNS41410 – Certificate IV in General Insurance	0	0	0	9
FNS51310 – Diploma of Life Insurance	0	0	0	20
<b>MERCANTILE AGENT</b>				
FNS30410, FNS30404 – Certificate III in Mercantile Agents	100	45	18	25

## Financial Services - Qualification Completions (cont.)

FNS – Financial Services – Qualification Completions	2009	2010	2011	2012
<b>MORTGAGE BROKING</b>				
FNS40811, FNS40810, FNS40804 – Certificate IV in Finance and Mortgage Broking	924	367	213	154
FNS50311, FNS50310, FNS50504 – Diploma of Finance and Mortgage Broking Management	86	152	394	526
<b>PERSONAL INJURY CLAIMS MANAGEMENT</b>				
FNS30210, FNS30507 – Certificate III in Personal Injury Management (Claims Management)	5	1	2	10
FNS40310, FNS41007 – Certificate IV in Personal Injury Management (Claims Management)	0	5	2	24
FNS50110, FNS51407 – Diploma of Personal Injury Management	0	1	1	28
<b>SUPERANNUATION</b>				
FNS40910 – Certificate IV in Superannuation	0	0	2	51
FNS50710 – Diploma of Superannuation	0	0	0	5







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