CIMA New Zealand members salary survey 2010
CIMA salary survey 2010 – New Zealand

Foreword………………………………………………………….. 1
Executive summary……………………………………….. 3
Main findings………………………………………………………… 5
Salaries and bonuses……………………………………………………… 5
Age…………………………………………………………………….. 7
Recruitment and retention……………………………………… 9
Satisfaction with salary and benefits…………………………… 9
Importance of benefits……………………………………………….. 11
Working hours……………………………………………………… 12
Skill set requirements………………………………………………. 14
Geographical mobility……………………………………..……. 16
Extent of movement………………………………………………… 16
Top destinations……………………………………………………. 16
Future……………………………………………………………………. 17
One word to describe CIMA difference………………………… 17
New Zealand salary information…………………………………. 18
Technical information…………………………………………………. 19
Further information…………………………………………………… 20
Global contacts………………………………………………………… 21
Foreword

Despite the difficult economic conditions we have been experiencing, prospects for CIMA members appear to be extremely favourable. Prudent businesses are increasingly turning to our members to help drive them through the downturn and on to sustainable success in the long term. This demand for management accounting expertise is reflected in the results of our second global members’ salary survey.

Clearly, CIMA members are highly valued, especially during a period when businesses are looking for skilled financial managers to put them on a firm footing. Our global survey of CIMA members shows that Chartered Management Accountants earn significantly higher salaries than the national average in every nation featured in our research.

In developed economies, members’ salaries are usually between two and three times the national average. However in developing economies such as Sri Lanka and Malaysia, we found CIMA members earning up to ten times the average - with the service industries offering particularly favourable wages. Bonuses are also featuring as a significant proportion of member remuneration. By country, this accounts for between 8% and 20% of their salary with the highest rewards being offered in the USA and Hong Kong.

The economic turbulence has had a mixed effect on our membership. Our survey shows that Australian and Malaysian members received the most significant increases in average remuneration since our last survey in 2009. But countries such as Sri Lanka and the UK have experienced only modest growth.

A cause for some concern is the earnings disparity between genders. Across the world, male CIMA members appear to be earning significantly more on average than their female counterparts. This is most evident in South Africa (where male members earn 47% more than their female colleagues), Sri Lanka (also 47%) and Malaysia (51%). Part of this disparity could be explained by the fact that there are a greater number of more experienced male CIMA members in our global community.

CIMA has recently completed a report which identifies the main barriers to women achieving positions of leadership and outlines four strategies for success. We very much hope that this analysis will help highlight the value that women can add to the workplace – and the boardroom in particular. We are also launching a women’s network on our online community forum, CIMAsphere. The new network will provide our female members with a place to share advice and experiences.

In New Zealand, the average annual salary for a CIMA member is NZ$116,928 and the average bonus is NZ$9,657. Despite the difficult economic conditions New Zealand has been experiencing, members generally appear to be content with their remuneration arrangements. Over three-quarters (79%) said they are satisfied with their salary and a greater number (80%) with their benefits package. Ongoing uncertainty is reflected in the fact that just 58% of members expect to receive a bonus this year. Pensions, flexible hours, bonuses and a contribution to/payment of CIMA fees are the key benefits sought from employers.
Overall, members in New Zealand seem to be taking a cautious but optimistic approach to the future. Although 40% are expecting a pay freeze this year only 10% anticipate redundancy. In brief, it appears that members in New Zealand are demonstrating resilience to the global downturn and their unique financial toolkit will place them in a prime position to help organisations build firm foundations for future success.

Charles Tilley
Chief Executive
CIMA
Executive summary

The New Zealand economy has experienced significant turbulence against the backdrop of the credit crunch and global recession over the last few years. In 2008 GDP contracted by 1.19%. However, following five consecutive quarters of economic contraction, the New Zealand economy expanded by less than 0.1% over the June 2009 quarter, thereby technically ending its recession.

The recovery continued with a 0.6% growth in GDP in the first quarter of 2010. Given that the New Zealand economy is expected to benefit from buoyant trading conditions in Australia and China, analysts expect growth of 0.8% in the second quarter, and to continue at the same rate for the rest of 2010.

Yet fears remain about the robustness of the global economy, particularly as the US economy continues its uneven path to recovery. Against this background, the question arises as to how the management accounting profession is coping in these demanding times. With this in mind, CIMA sought to gauge its members’ views of the current climate and understand what impact, if any, the recession has had on their salary levels.

The second annual global salary survey of CIMA members was carried out in April 2010. A total of 1,959 members contributed to the survey of which 67 responses were from New Zealand. This report summarises the results of this survey with a particular focus on New Zealand, looking at how recent economic events are impacting on salary levels and benefits packages experienced by CIMA members working in New Zealand.

Salaries and bonuses

- The average remuneration package for a CIMA member in 2010 is NZ$126,585:
  - CIMA members’ average annual salary is NZ$116,928
  - the average bonus is NZ$9,657 across all respondents.
- 58% expect to receive a bonus in 2010.
- On average, senior CIMA members (over 40 years old) are earning a package which is worth NZ$10,792 (9%) more than their younger colleagues.

Recruitment and retention

- 79% are satisfied or extremely satisfied with their salary.
- 80% are satisfied or extremely satisfied with their benefits package.
- Pension, flexible hours, bonuses and contribution/payment of CIMA fees are key benefits sought from an employer.
- The average member works 46 hours per week with 34% expecting their working hours to increase during the coming year.
The primary reasons for increased working hours are largely attributed to a combination of the financial climate and understaffing.

In terms of future development, members are most interested in leadership skills, strategic planning and implementation, and persuading and influencing skills.

Geographical mobility

- Fewer than half of members (46%) intend to change jobs in the next two years.
- 16% of those considering a move are considering relocation overseas.

Future

- The uncertainty of the employment market continues, with 40% of CIMA members expecting a pay freeze, and 10% fearing redundancy.
Main findings

Salaries and Bonuses

CIMA members’ average annual salary is NZ$116,928. The average bonus is NZ$9,657 across all respondents, producing an average package of NZ$126,585.

Remuneration packages – 2010
While the average annual bonus received is NZ$9,657 across all respondents, this average masks some significant variances in the levels of bonuses received by individual members. In fact, 42% don’t expect to receive any bonus at all in 2010, so this benefit is by no means automatic.

For the 58% expecting a bonus, the average is NZ$16,600. Just over a fifth expect a bonus of less than 9%, the same proportion expect a bonus between ten and twenty percent of salary and the remainder expect a bonus of over 20% of salary.

Bonuses likely to be received in 2010
Age

As seniority and level of experience are both closely associated with age, it is no surprise to find that average salaries and bonuses increase as members get older.

Average salary and bonus – by age

More experienced CIMA members (over 40 years of age) are earning a package which is worth NZ$10,792 (9%) more than their younger colleagues.
On average, members who are under the age of 40 are more likely to receive a bonus (63% compared with 55% for people over forty). However, more senior members receive a bonus which, on average, is 37% higher than that of their younger colleagues.
Recruitment and retention

Satisfaction with salary and benefits

Almost eight out of ten (79%) members are satisfied with their current salary package, however, of those only a minority (9%) are extremely satisfied.

Satisfaction with current salary package
Members are equally satisfied with their level of benefits and salary levels – 80% overall. Furthermore, 19% of members are dissatisfied with their level of benefits, a similar proportion to those who are dissatisfied with their current salary package (21%).

**Satisfaction with current benefits**

- **10%** Extremely satisfied
- **70%** Satisfied
- **13%** Dissatisfied
- **6%** Very dissatisfied

2010
Importance of benefits

The main benefits typically received by members from employers are contribution to CIMA fees (62%), mobile phone/Blackberry/PDA (53%), annual bonuses (48%) and healthcare (35%).

Benefits associated with work life balance, such as extra holidays, flexible hours and working from home are enjoyed by significant minorities (received by 18%, 38% and 27% respectively).

Flexible hours, a company pension scheme and an annual bonus were judged to be among the most attractive benefits that employers might offer. However, employers currently provide these benefits to relatively few employees. While almost half of employees (48%) receive bonuses, less than a third (29%) receive a pension and just over a third (38%) receive flexible hours. Given that these benefits are considered to be important, it appears that members expectations are not currently being met for these core benefits.

Importance of benefits (mean score) by benefits received
5 = extremely important, 1 = not at all important

At the other end of the spectrum, benefits such as a company car and travel benefits are seen as having limited value by members in New Zealand.
Working hours

The typical member in New Zealand works a 46 hour week. 61% of members work between 41 and 50 hours a week and 20% work more than 50 hours a week (including 5% of people who work more than 60 hours in a typical week). Just over one fifth (21%) are working fewer than 41 hours a week.

Typical working hours for respondents in New Zealand

While almost two-thirds of members (64%) do not believe that their working hours are likely to change significantly over the coming year, only 2% believe their hours are likely to reduce at all, which leaves just over a third (34%) who feel their hours will probably increase.
The key reasons cited for expecting increased working hours are a combination of the financial climate, understaffing/lack of resources and increased responsibilities.
Skill set requirements

Members were asked to comment on their skills and training requirements for the coming year. Members were most likely to identify leadership skills as a priority for future training. Other popular areas included strategic planning and implementation, persuading and influencing, and personal development (e.g. career planning, time management).

Leadership skills are of much greater interest among younger members (aged under 40) than older members (aged over 40), where the proportions are 70% and 37% respectively.

Indeed, the age and level of experience a member has appear to influence the type of skills they are most interested in acquiring.

Younger members (aged under 40) are far more interested in acquiring the following types of skills than those with more experience:

- leadership – required by 70%
- strategic planning and implementation – required by 59%
- communications – required by 41%
- skills for developing others – required by 37%
- personal development – required by 37%.
Some specific skills are attractive to members over 40:

- Persuading and influencing is of interest to 42%, making it the first most attractive area of training for members in this group, even more attractive than to younger members at 37%.

- Risk management is of interest to 38%, making it the second most attractive area of training for members in this group. Again more important to this group than the younger members with only 19% interested in this.

- Leadership is of interest to 37% of the more senior members, making it the third most attractive area for training members in this group.

- Project management is of interest to 33% of members in this group versus 26% of younger members.

- Strategic planning and implementation – is of interest to 32% of members in senior positions.
**Geographical mobility**

**Extent of movement**

Given that the outlook of the economy remains uncertain, with continuing uncertainty of whether there will be a double dip recession in 2010-2011 in some of the leading western economies; it is perhaps not surprising that just over half (54%) of members have no plans to move jobs.

**Plans to move job**

![Chart showing plans to move job by 2010]

The proportions of members not looking to move is broadly the same across the younger and more senior members - 56% aged under 40 are not looking to change jobs, compared with 52% of those aged over 40.

However, of those looking to move, younger members are more likely to want to move within the next six months – 34% compared with 22% of those over the age of 40.

**Top destinations**

Just 16% of those people considering a change in jobs are thinking about a possible move overseas (which equates to around 7% of the workforce, i.e. five respondents). Australia and the UK are the key destinations.
Future

Given that the macro economic context remains uncertain, members remain cautious about their future prospects. While 55% don’t expect any ill effects from the economic slowdown; 10% fear redundancy, and around a third (40%) expect a pay freeze.

One word to describe how CIMA is different from other accountancy qualifications…

A summary of respondent perceptions is illustrated below (the size of the font reflects the number of times the word was spontaneously mentioned).
New Zealand salary information

This section provides a breakdown of New Zealand specific salary information by key indicators (where the sample base is large enough to provide reliable information). All salary information was collected in April 2010 and is presented in local currency.

<table>
<thead>
<tr>
<th>New Zealand</th>
<th>Salary (NZ$ per annum)</th>
<th>Bonus (NZ$ per annum)</th>
<th>Total package (NZ$ per annum)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$116,928</td>
<td>$9,657</td>
<td>$126,585</td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Over 40</td>
<td>$120,577</td>
<td>$10,338</td>
<td>$130,915</td>
</tr>
<tr>
<td>Under 40</td>
<td>$111,482</td>
<td>$8,641</td>
<td>$120,123</td>
</tr>
<tr>
<td>Region</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Auckland</td>
<td>$118,723</td>
<td>$12,542</td>
<td>$131,265</td>
</tr>
</tbody>
</table>
Technical information

Data collection for the CIMA New Zealand members salary survey 2010 was carried out online by CIMA during the period 19 March to 19 April 2010. The data was subsequently rim weighted (by Redshift Research) by CIMA member level to ensure the profile of the survey accurately represents all CIMA members working in business.

17,489 CIMA members globally (excluding retired members) were selected and invited to participate (UK, Ireland, Australia, Malaysia, Sri Lanka, South Africa, USA, Canada, Singapore, New Zealand, UAE, China and India) – a total of 1,959 completed the study globally (11% response rate), with 67 respondents from New Zealand. Basic responses from New Zealand were as follows:

<table>
<thead>
<tr>
<th>Respondent type</th>
<th>Proportion of Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aged under 31</td>
<td>8%</td>
</tr>
<tr>
<td>31-35</td>
<td>10%</td>
</tr>
<tr>
<td>36-40</td>
<td>22%</td>
</tr>
<tr>
<td>41-50</td>
<td>39%</td>
</tr>
<tr>
<td>51 and over</td>
<td>21%</td>
</tr>
<tr>
<td>Male</td>
<td>67%</td>
</tr>
<tr>
<td>Female</td>
<td>33%</td>
</tr>
</tbody>
</table>
Further information

For further information on technical matters relating to this survey, contact yourvoice@cimaglobal.com

For further country specific analysis and reports, visit CIMA MY JOBS at http://myjobs.cimaglobal.com

Both the Chartered Institute of Management Accountants and Redshift Research are Market Research Society Company Partners. The organisations abide by the Market Research Society’s Code of Conduct and the Data Protection Act.
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