

***It's essential that the occupation of Recruitment Consultant is to be kept on the skilled visa program***

**Stirling Andersen Pty Ltd**

**ABN: 58 137 109 525 & ACN: 137 109 525**

Stirling Andersen Pty Ltd, trading as Walker Andersen and Stirling Andersen, are an Australian owned global recruitment business. We launched in Sydney in 2009, and are now recognised as a leading global recruitment firm. Currently with over 140 Consultants and 10 offices in Australia (Sydney, Melbourne, Brisbane, Perth), New Zealand (Auckland, Christchurch), Singapore, Hong Kong, UK and Ireland. Our goal is to offer a global service with a boutique, specialist and executive approach.

Our growth in Australia has been exceptional, we have over 90 Consultants working for the business nationally, servicing over 4200 of Australian clients. Our compound annual growth in Australia for our net fee income is 70% since 2009, having grown the business in Australia to an NFI of over \$21million for year end 2017. Our Australian business has introduced over 2,500 Australians into the Australian workforce within our specialist sectors in the last 12 months alone and over 16,000 Australian employees since inception. Our Australian projections for the next two years are to grow the business to \$28million NFI and employ over 125 employees who will in turn introduce over 6,000 more Australians into the workforce.

Stirling Andersen recruit in the following specialisations ; Underwriting (Life, General Insurance & Workers Comp), Claims (General Insurance, Life & Workers Comp), Technical Advisors (General Insurance, Life & Workers Comp) Product (General Insurance, Life, Workers Compensation & Superannuation), Distribution, Sales & BDM's (General Insurance, Life, Workers Compensation & Superannuation), Financial Advisors, CSO's and Paraplanners, Credit Risk, Customer Service (Insurance, Banking & Wealth), Mortgage Brokers, Insurance Brokers (General Insurance & Workers Comp), Actuarial & Risk (Life, General Insurance, Super & Consulting) & Legal (practice & In-house). Industry Sizes are as follows;

- Superannuation \$2.2 Trillion
- Wealth Management c\$3 Trillion
- General Insurance \$40BN
- Life Insurance c\$40BN
- Health Insurance c\$24BN
- Legal Services c\$20BN

All of the above markets are candidate short and our consultants spend most of their time proactively generating candidates to service our clients demands. In order to generate candidates we rely on the specialist networks of our consultants to headhunt, network at industry functions, deliver market-mapping projects and source referrals. This is highly consultative and provides a high degree of skill.

As a brief snapshot in the last twelve months, in Australia, we have placed 30 Underwriters, 317 Claims Consultants (Life & General Insurance), 87 Case Managers (Workers Compensation), 15 Credit Risk

Analysts, 110 Insurance Brokers, 40 Superannuation professionals, 22 Actuaries, 81 BDM's (Super, Life, WC & General Insurance), 68 Financial Advisors, 45 CSO's and 105 Paraplanners.

The types of roles we recruit range in remuneration from \$65K package through to \$500K package. The positions we place include; Financial Advisors, Insurance Brokers, Actuaries, Underwriters, Claims Consultants, Rehab Counsellors, Credit Risk Analysts, Business Development Managers and many more. We are recruiting skilled professionals and in order to source skilled professionals and work with sophisticated clients requires a deep understanding of the markets we recruit into. On the whole our clients in the markets we specialise in all have a high demand for partnering with recruitment consultancies to source them the best talent in the market. On average as a team in Australia work on 120 new roles per week that have been called in by our clients. The clients with the biggest reliance on recruitment agencies are the Small to Medium organisations. 80% of our revenue is generated from SME businesses that don't have the time, brand power or expertise to source new staff given that advertising boards and job centres cannot provide the skilled staff they require.

In Financial Year 2017 Stirling Andersen placed 976 employees in temporary, contract and permanent positions into the Financial Services & Insurance industries. Financial Year 2018 to date we have already placed 585 employees in temporary, contract and permanent positions with a projection to grow by 60% on last Financial Year. 90% + of these placements are Australian Residents/ Citizens with full working rights.

Stirling Andersen have worked with and/or currently work with Zurich, Allianz, IAG, Lloyds, Austbrokers, Steadfast, BT Financial, Swiss Re, Munich Re, SCOR, TAL, AIA, Catholic Church Insurance, AON, Marsh, Willis, CBA, AMP, IOOF, Legal Super, Aus Post, Care Super, Commonwealth Super, Equip Super, Catholic Super, Pepper Money, EML, Arthur J Gallagher, Wilson Asset Management, NGS Super, Macquarie Bank, Intrust Super, Colonial First State, MLC, Metlife, Onepath, ANZ, Hollard, KPMG, EY, Deloitte, Milliman, Fitzpatrick Private Wealth, FTS Financial Planning, Pitcher Partners, Pengana, Prosperity Advisors, McMillan Shakespeare, AFPG, Centric Wealth, Fairbridge Financial Services, NAB Wealth, Stanford Brown, State Plus, Perpetual and Westpac amongst many others.

Walker Andersen recruit into the following specialisms: Accountants (Transactional through to CFO's), Tax, Audit, Risk, Project & Change. Walker Andersen have an outstanding reputation as a specialist Accounting and Finance recruitment firm within Australia. We are arguably the largest provider to the Accounting Professional Services sector and work with all of the big four, most of the mid-tier Accounting firms and the majority of Australia's boutique accounting firms. We also provide a full accountancy recruitment service for all companies that require accounting and tax specialists, including all private and public organisations with an accounting function.

Professional Services Australia is a multi-billion dollar industry. The Top 100 Accounting firms alone in Aus generated over \$9.99b in revenue this past financial year. There are staff shortages across all firms and the needs/issues the firms face differ greatly from that of a Big 4 firm to a small suburban firm and to that of a regional firm. The overwhelming shortage is of qualified accountants who can operate in a client facing positions. We have also seen a staff shortage at graduate level as less candidates are now entering the profession. This is backed up by application rates from the Big 4 who take on less graduates than previously (due to the streamlining and offshoring of work). This has a trickle down effect and affects smaller firms. The Big 4 and larger firms also account for natural attrition and for graduates leaving to join smaller firms. With less graduates coming on board this is resulting in less staff being available to smaller firms in the future. With the use of technology, there are also less graduate roles

available as the more simple accounting roles are being made redundant. Again with natural attrition as people leave the profession this creates a skilled shortage at more senior levels. The majority of candidates Professional Services have placed are Australian citizens. The Professional Services team placed over 500 candidates in the past 12 months - over 450 were Australian or held PR.

A recent success story has been our projects with the ATO. For their Tax Avoidance Task Force, they requested Walker Andersen's services to assist the ATO to find 20 very specialist Transfer Pricing and International Tax experts. We ran a national headhunting campaign and have been able to add a significant contribution to the ATO's talent pool.

We are in a candidate short market where businesses struggle to attract talent due to the competition in the market. At any given time there is between 1500 and 2000 live job adverts on [www.seek.com.au](http://www.seek.com.au) for accountants doing business services. Due to this high demand of staff, it is not uncommon for candidates to receive multiple offers during their job search. Research has shown that the main factor in stopping accounting firms growing their own businesses is hiring of the right staff. (research by Bstar who conduct research on a sample group of 600 small firms from around Australia).

As a business we have placed over 21,600 advertisements, in the last year alone, for highly skilled employees either for our clients or our for our own growth in consultant numbers. To break down the limited success advertising has that results in a placement for that role please see below the following statistics; (Financial Year 2017)

- Sydney 7% of adverts for vacant roles resulted in securing the successful candidate
- Brisbane 1% of of adverts for vacant roles resulted in securing the successful candidate
- Perth 0% of adverts for vacant roles resulted in securing the successful candidate
- Melbourne 3% of adverts for vacant roles resulted in securing the successful candidate

The position of Recruitment Consultant is highly skilled; the position responsibilities are extremely diverse and the combination of those skills are unique. A successful consultant needs to be an expert within the sector they operate in, many of the consultants at the Andersen Partnership have previous careers within the sector they now work in and all of these occupations are on the skilled visa program list, similarly it is extremely important that a new Consultant has a tertiary qualification. On top of this, the position of recruitment consultant involves an exceptionally high level of sales ability, a consultative background, emotional intelligence, drive and a work ethic that would be in the top 5% of the Australian workforce.

Recruitment is in effect a Sales position however, requires the ability to understand technical roles, markets, industries, economies, identify opportunities and trends. You are required to provide highly consultative services to candidates and clients including remuneration benchmarking, organisational structure consulting, position description and job specification advice and so on. You are also required to be a trusted source of advice and proactively secure candidates opportunities in line with their career goals. You require soft skills such as, communication, influencing, negotiating and excellent stakeholder management ability. Recruitment consultants need to have strategic ability to build a business and practice in which they specialise and form long-standing ongoing relationships. It is essential that qualified professionals from backgrounds such as Sales, Recruitment, HR, Account Management or have an industry background with tertiary qualifications perform this occupation. To be a successful recruitment consultant you require extensive on-the-job training, boardroom training and guidance

under other experienced consultants to assist in building their networks within the industries that they're recruiting.

Hiring Australian employees with the required skill set has been exceptionally difficult. As an example, the Melbourne Director launched the Victorian business in 2011. With 10 years prior recruitment experience but a limited knowledge of the Australian recruitment market, he looked to only hire Australian Citizens and Residents into the business. Within six months it became apparent that the business was failing due to the lack of skilled workforce in Australia available and in turn the clients we were servicing suffered. Still, six years on, we advertise locally and on average we post three adverts for each vacant position of Recruitment Consultant. The response would be circa 120 candidates, of which only 15% would be Australian Citizens. It is reasonable to confirm that none of these Australians would have the experience and very few (0.025% over the years) would have the potential. Thousands of existing vacant positions open to Australians. Seek alone lists over 5,000 jobs containing the keyword "recruitment consultant".

Over the six years of operation Victoria have hired over 40 Australians, including ten in the last 12 months of which there are only three remaining. Our focus now is to attract experience and talent from overseas whilst bringing on Australian graduates so that we are able to train them up, however this takes between 12-18 months before they are fully skilled and many do not have the necessary attributes to be successful.

Also our Queensland operation was launched in May 2012 and looking at our hiring over the past five years I would estimate that approx. 1 in 10 Australian hires have been successful in a Recruitment role compared with approx. 1 in 2 of our International hires. As a result, we have hired approximately five times more Australians in our Brisbane office, however today we have an equal number of Australian staff compared with International staff.

We have had run a national recruitment drive for Australian Graduates over the past six months, during which time we have hired over 32 graduates, of which only 13 are still with us. There is a common theme that the Australian's we hire do not want to undertake the pressurised work load required to be a successful consultant.

***Stirling Andersen Pty Ltd and the majority of other recruitment businesses will be severely affected if the occupation of Recruitment Consultant is taken off the skilled visa program;***

It is with absolute certainty that if the occupation of recruitment is withdrawn from the skilled visa program all businesses (every sector) would suffer to find and attract Australian talent that would allow them to be competitive.

The whole industry relies on tertiary educated experienced consultants. We would envisage that the industry is made up of, at the very least, 60% employees who have come through the skilled visa program. If our business had not been able to employ skilled employees through this program our employee numbers would be closer to 25, rather than the current 90 employees Australia wide and our status as an Australian grown global recruitment business would be severely challenged.

Most importantly, Australia's share of the \$426 billion global recruitment market will be lost. If headcount within the industry is reduced in Australia, a very high percentage of recruitment revenue would move internationally, with many searches going offshore to recruitment firms who have the

capacity and expertise to service clients. They will also have stronger networks within their local market meaning many jobs will be lost to overseas candidates.

Many of our clients depend on the niche specialist skills our consultants provide them to find candidates in order to be competitive and will therefore be devastatingly affected as there will be many 1000's of fee generating positions left open for a prolonged period.

Multinational businesses are more likely to prevail and have that competitive edge over local Australian businesses due to an international workforce, more structure and the ability to pay a premium for an Australian employee meaning more revenue could be deferred overseas.

Salaries will become too high due to an incredible shortage of skilled employees and many smaller businesses will not be able to cope with the increased demand from employees. Fees for searches will also increase meaning the TEC for the first year of employment could be the highest it has ever been and for some businesses unaffordable.

Local Australian Graduates will suffer as there will be less recruitment businesses with the ability to train these graduates into the world of recruitment meaning a generation of homegrown skilled recruitment talent will be lost.

On average, a highly skilled tertiary educated consultant will introduce 2 to 3 Australians into employment every month, that is at least 24 a year. So for each future loss of a potential recruitment consultant we would lose this many employment opportunities for Australians.

We are sure that our business is amongst many within the recruitment industry who are extremely concerned for their livelihood and that of the Australian employment/economy.