

A low-angle, black and white photograph of several modern skyscrapers reaching towards the sky. The buildings feature glass facades and geometric patterns. The perspective is from the ground looking up, creating a sense of height and scale.

ThompsonCook

WE ONLY DO ACCOUNTING

2024 Melbourne & Sydney Accounting Market

Melbourne Office

Level 6, 360 Collins Street,
Melbourne, 3000

Sydney Office

Level 3, 50 Pitt Street,
Sydney, 2000

[THOMPSONCOOK.COM.AU](https://thompsoncook.com.au)



Major Themes

The last quarter of 2023 was dominated by the headlines of global insecurity, the cost of living for ordinary people, climate concerns and significant risk around the stability of the Australian economy. We expect these themes will dominate 1H 2024.

The focus on employee engagement, attraction of talent and flexibility has diminished. Suddenly the balance of employee satisfaction and economic success has shifted in favour of companies.



The Office

In 2024 the role of the office will continue to make headlines as companies continue to encourage their staff to return to the office. It is now widely accepted that working from home comes at a cost to business. Like many workforce planning issues, there is no single one size fits all strategy that should be adopted by companies.

Companies value the informal interactions, unscheduled meetings, and spontaneous engagement staff benefit from when they are in the office. There has been significant commentary on the difficulty of creating and maintaining relationships while working remotely.

It is acknowledged there has been a genuine shift with some people preferring to work from home. We have observed an accelerated shift in the strategies of leading Australian companies as they look to encourage staff to return to the office. ANZ have told staff that their annual bonuses may be cut if they fail to spend at least 50 per cent of their scheduled working hours in the office, which is in-line with other companies such as CBA, Origin Energy and Suncorp Group. Further, companies such as Amazon Australia have noted staff who are in the office less than three days a week cannot receive a promotion without additional leadership approval.

Possibly employees who spend most of their time working from home may be labelled as being “out of sight, out of mind” and less productive than their peers who spend more time in the office. This may become an issue if the economic challenges in 2024 lead to companies planning for staff redundancies.

Two themes in play for 2024 are:

1. Are we likely to see working from home as a privilege earned through trust and seniority;
2. Whether to differentiate pay between remote and in office staff.

Across our client base, we have observed the four most common outcomes to be:

Finance teams 5 days in the office:

- Small to mid sized private companies

Finance teams 3 days in the office (2 days home):

- This is the new normal for most accounting functions

Finance teams 2 days in the office (3 days home):

- Some large enterprise sized companies, especially in financial services, insurance, utilities and telecoms

Finance teams fully flexible on location:

- Small to mid sized leading technology companies and some government and corporatised organisations

An interesting observation within finance functions has been the delineation between the accounting support functions (accounts payable, accounts receivable, payroll) and qualified (CPA, CA) accounting functions. We have observed that many accounting support finance professionals are very motivated to work from home to save on time and travel costs. There has been an acknowledgment by some companies that the accounting support functions are effectively able to work from home while staff in the qualified accounting are best to work from the office.



Challenging Economic Environment

There are numerous economic headwinds facing the Australian economy and these challenges will impact the 2024 workforce strategy of many companies.

Business leaders are grappling with balancing the competing priorities of efficiency, growth, increased profitability and workforce staffing.

The leading bellwether for the accounting market is the workforce planning strategies of KPMG, EY, Deloitte and PwC.

The internal Human Resources strategies of KPMG, EY, Deloitte and PwC are often reported in the Australian Financial Review, allowing finance executives key insights into how these firms are reacting to the economic landscape.

Redundancies have occurred in 2023 at KPMG, Deloitte, EY and PwC. Further, an early indicator on the challenges ahead in 2024 has been the emergence of leading companies including Bain and EY delaying the start dates for graduates in 2024.

We are beginning to see traction in 2024 of the classic strategies of companies cutting back on recruitment, focusing on expenses and travel costs, deferring graduate start dates and advising staff to take unpaid leave.

If the economic challenges deepen further we can expect to see companies focus on hiring freezes, wage stagnation, and the use of contractors if they are forced to scale down due to economic pressures.

National Job Market

The ANZ bank info graphic below shows the demand for staff is now trending down from the levels of peak demand in 2023. However, demand remains about 50% above pre-pandemic levels, which is remarkable.

For the balance of 2024, the Melbourne and Sydney accounting jobs market will continue to trend slowly down as we begin to reset to normal levels of demand and companies counter the emerging economic headwinds.

Despite some of the challenges facing the accounting market in 2024, accounting teams have all grown in size over the last 24 months as a result of the increased demand for output from finance functions.



ANZ Job Ads Index



















ANZ-Indeed Australian Job Ads

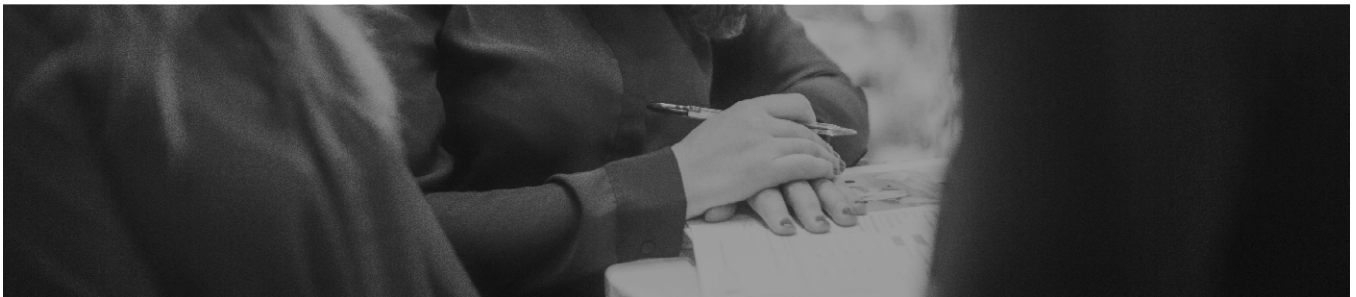
— Seasonally adjusted



In addition to the ANZ Job Ads Index above the data below show the demand for new staff from Accenture, Deloitte, EY, KPMG, PwC has dropped by 75% from 2022 to 2023 which is a clear indication of the employment demand in 2024.

LinkedIn Job Ads (Australian based roles)

Firm:	31 st August, 2022	29 th March, 2023	24 th October, 2023
Accenture	 845	 398	 141
Deloitte	 745	 1,080	 205
EY	 937	 479	 266
KPMG	 1,276	 107	 186
PwC	 742	 408	 79
Total	 4,545	 2,463	 877



Accounting Functions

ThompsonCook partners with hundreds of companies across Melbourne and Sydney, which provides us with a unique insight into the dynamics of accounting functions.

Many accounting functions have been through multiple cycles of process improvement, system updates and cost reduction reviews. The net effect of these changes over the past ten years has been the creation of accounting functions that are efficient and lean. The urgent demand by companies for additional analysis and reporting from their accounting functions in order to combat the business impacts of COVID saw many accounting functions buckle under the increased workload and pressure.

We have seen a rapid shift in thinking by Boards, CEO's and CFO's as they have all looked to invest in their finance functions. This has led to a rapid increase in the size of finance functions and a focus on expertise.

In terms of the size of finance teams, almost universally, finance teams in 2024 in all companies are larger than they were in 2020. This rapid growth in the size of finance teams with many newly created positions has never happened before.

Typically our clients have the need to recruit finance executives as a result of either:

- A resignation of an existing staff member;
- The need to create a new finance position as the finance function is working at capacity and needs additional resources.

We expect the key driver of accounting recruitment in 2024 will be the need for companies to replace staff as a result of a resignation. We are not expecting accounting teams within most companies to grow in size in 2024.



Salary & Bonus Trends

Executive market \$300k+:

- Professional salaries generally slowly trend upwards year on year, the most significant determinant of these salaries is the success of a company. Where a company is performing well, it can be expected that remuneration will increase annually. However, where company performance has been limited, it is very common for remuneration to remain static
- We expect salaries to remain flat in 2024 reflecting challenging business performance for many companies

Mid-market \$150k – \$250k:

- Salaries at this level typically increase by \$5k – \$10k annually and this will be the norm in 2024

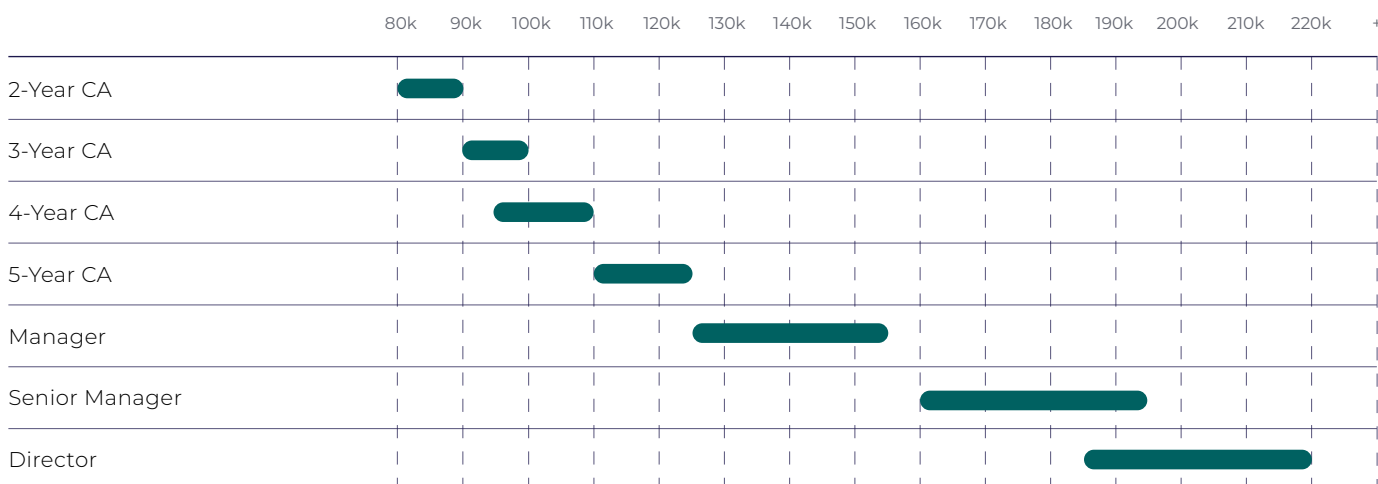
Support market <\$140k:

- Support market salaries typically increase by \$3k – \$5k annually and we expect this to be the case in 2024

First mover CA's from KPMG, EY, PwC and Deloitte

- The demand for first mover Chartered Accountants moving out of KPMG, EY, PwC and Deloitte has softened. Salaries being offered to first movers have now plateaued and we may see first movers receive salaries that are on par or \$5k-\$10k greater than their current salary in chartered

Typical 2024 First Move Annual Salary Packages (inclusive of cash and superannuation)



Bonus Structures

Bonus structures are very consistent and typically do not change on an annual basis. More often than not, most bonus arrangements are “discretionary”. In some large, structured companies, a formal bonus structure may be in place with weighted percentages for personal and company performance.

Typical bonus percentages include:

- <\$100k: Often no bonus component
- \$100k to \$200k: Typically 10%
- \$200k to \$300k: Typically 20%
- \$300k+: Typically 20-40%, with listed companies having both a Short Term Incentive and Long Term Incentive component

- Private Equity owned portfolio companies often include “carry” as a bonus scheme for senior finance executives. There is very little consistency in terms of the structure and value of “carry” as it varies significantly for each portfolio company depending on which Private Equity firm is involved. A tier one level of “carry” for a finance executive may equate to being equivalent to approximately 100% of their fixed annual salary package inclusive of cash and superannuation



Structure of Accounting Functions

Centralised or Decentralised Accounting Functions:

In some of Australia’s largest companies there is now a clear trend to decentralise accounting functions back out to the divisions rather than having a large, centralised shared services team. This trend will continue in 2024. The expectation is that a decentralised accounting team will be closer to the business and provide far better commercial insight

Specialist Functions | Tax | Treasury | Corporate Development | Audit

The accounting functions of Tax, Treasury, Corporate Development and Audit have all benefited from the increased importance of finance functions. The emergence of companies investing in Tax, Treasury, Corporate Development and Audit teams is continuing in 2024. ThompsonCook has seen a dramatic increase in demand for senior Tax and Treasury executives. The trend of outsourcing these functions to PwC, Deloitte, EY, KPMG and other specialist consulting firms has slowed dramatically.

The Dynamics of Job Searching

Job Searching

Headhunting is the most effective channel for sourcing high caliber accounting talent. At ThompsonCook, we have a view that almost everyone will consider a good opportunity that will grow their career.

We are unique in our approach in that we effectively run a headhunting process on behalf of our clients for all of the roles we recruit from accounts roles to Chief Financial Officer positions.



The Cost of Recruitment for Employers

Preferred Supplier Agreements

Most mid to large sized companies will have some form of preferred supplier agreement.

Typical market fee rates are 19% below \$200k and 21% above 200k+. The large banks and government preferred supplier agreements are typically 3 – 5% below these rates.

Broadly, most preferred supplier agreements have a lot of leakage. Over the past 5 years, the trend has been away from recruitment

suppliers presenting and pitching for a preferred supplier agreements, rather companies apply a procurement model of issuing standard terms and conditions for all suppliers at fixed fee rates.

In 2024, as companies once again focus on the cost of doing business, we will see preferred supplier agreements becoming more relevant as companies look for greater control over the cost of recruitment.

We are proud to partner with leading Australian employers. We are passionate about supporting our customers.

Who We Are

Since our establishment in 2016 ThompsonCook has become the preferred accounting recruitment partner for many major Australian employers. Our strategy is simple - we are solely focused on providing the highest quality accounting recruitment services in Melbourne and Sydney.

Accountants choose to partner with our experienced experts as we provide objective and informed career advice. Businesses choose to partner with our firm due to the depth and quality of our networks across the accounting industry.

What We Do

We are here to assist organisations to create great finance functions. Our goal is to help our clients navigate an increasingly competitive and challenging accounting talent market.

Our team are astutely aware of the trends that have shaped accounting functions for almost two decades. We appreciate and understand the multiple roles and complex deliverables of finance functions.

Our approach is focused, discrete and professional. Our ambition is to be recognised as the most respected accounting recruitment firm in Australia.

Our Partners.



Partner
Sophie Wood



Partner
Maxime Moffroid



Partner
Matthew Cook



Partner
Jimmy Carruthers



Partner
Alexander Thompson



Partner
Nancy Zhou



Partner
Mike Lys



Director
Susan Fouche



Director
Henry Clunies-Ross



Director
Cody Johnson

Melbourne Office

Level 6, 360 Collins Street,
Melbourne, 3000

Sydney Office

Level 3, 50 Pitt Street,
Sydney, 2000