ThompsonCook

WE ONLY DO ACCOUNTING

2025 Melbourne & Sydney Accounting Market

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Major Themes

The 2025 Melbourne & Sydney Accounting Market report provides insights into the evolving landscape of finance teams, workforce strategies, and executive remuneration. Economic recovery remains modest, with businesses facing challenges from delayed interest rate cuts, employment market shifts, and political uncertainties. Companies are refining hybrid work strategies, balancing productivity and costs while emphasising trust based remote work policies. Finance team expansion has slowed, with a focus on efficiency, automation, and upskilling. This report explores these themes in-depth, offering a comprehensive view of the current and future state of the accounting profession in Australia.

Overview of Salary & Bonus Trends

The current compensation landscape for accounting professionals is increasingly influenced by company performance and strategic talent management rather than being driven solely by inflationary pressures. The trends vary significantly across executive, mid level, and support segments, each reflecting the unique dynamics of their respective roles and market conditions.

Overall, the compensation trends in the accounting field are increasingly performance driven and strategically aligned with broader business objectives. While executives may see limited growth amid economic challenges, mid level and support professionals will continue to benefit from structured, performance based increases. This nuanced approach helps organisations maintain competitive compensation packages while navigating the financial uncertainties anticipated in 2025.

Executive Market ($300K+):

Senior finance executives, including Chief Financial Officers, experience incremental year over year increases that are closely tied to the financial health and performance of their organisations. In firms with robust revenues, expanding market share, and positive growth trajectories, salary enhancements are a strategic tool to attract, retain, and reward top-tier talent. Conversely, when companies face performance challenges or economic pressures, compensation levels tend to remain static as cost containment and financial stability become priorities. With the outlook for 2025 marked by slower economic growth and tighter profit margins, a moderated approach to wage increases is expected, keeping overall executive compensation relatively flat.

Mid-Market Segment ($150K–$250K):

Mid level accountants typically receive annual raises in the range of $5K–$10K. These adjustments are not merely a response to inflation but are based on comprehensive performance evaluations, rigorous internal benchmarking, and competitive market dynamics. Organisations strategically implement these increments to ensure that compensation remains competitive and reflective of the evolving responsibilities inherent in mid level roles. Looking ahead, the economic outlook for 2025 suggests that this measured approach will continue. Companies are likely to differentiate compensation further, rewarding high performing professionals with more significant increases while offering modest adjustments to those not meeting established benchmarks, thereby reinforcing fiscal discipline and strategic talent management.

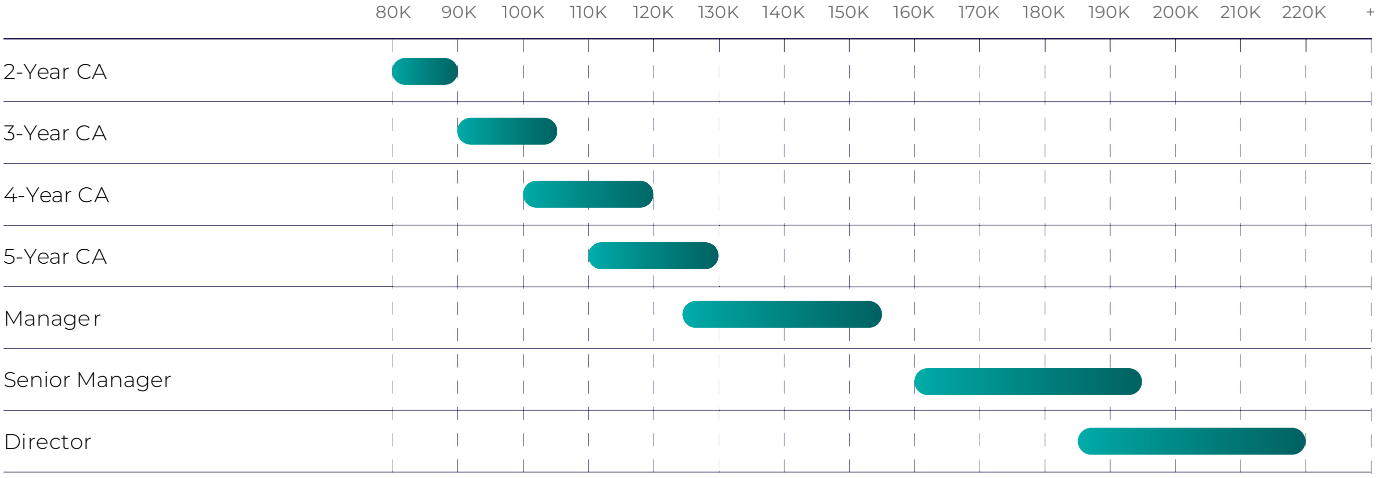
Support Market (Under $140K):

For accounting support professionals earning between $70K and $140K, the typical annual salary increase ranges from $3K–$5K. Similar to the other segments, these adjustments are influenced by performance evaluations, internal benchmarks, and the specific competitive conditions within the support market. Organisations use these incremental increases as a means to attract and retain qualified support staff, ensuring that compensation remains both competitive and aligned with the evolving nature of their roles. The stable economic outlook for 2025 supports the continuation of this steady salary growth pattern, with an increasing emphasis on performance-based differentiation to meet strategic talent management objectives.

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

Recent analysis indicates a reduction in demand for chartered accountants transitioning from firms such as KPMG, EY, PwC, and Deloitte. Consequently, salary offers have stabilised, with expected increases largely reflecting current compensation levels or rising by an additional $5K–$10K. Notably, the greatest demand is observed at the accountant to manager level, as these professionals are perceived to offer greater value compared to Senior Managers and Directors, who attract relatively lower interest when transitioning into industry roles.

Typical 2025 First Move Annual Salary Packages (inclusive of cash and superannuation)



Bonus Structures

Bonus structures tend to remain consistent over time and are generally not subject to annual changes. In many cases, bonus arrangements are discretionary. However, some larger, structured organisations implement formal bonus frameworks that apply weighted percentages based on individual and company performance.

Typical Bonus Percentages:

- **Under $100K:**
  Often, no bonus component is provided.
- **$100K to $200K:**
  Generally, a bonus of approximately 10% is offered.
- **$200K to $300K:**
  Typically, a bonus of around 20% is provided.
- **Above $300K:**
  Bonus components usually range between 20% – 40%. Publicly listed companies often incorporate both Short Term Incentive (STI) and Long Term Incentive (LTI) elements. In mid to large sized private companies, there is an increasing incidence of management equity plans for senior finance executives, implemented to offer a competitive alternative to the LTI programs seen in some ASX listed companies.

Within the realm of private equity, firms acquire and manage portfolio companies with the goal of driving significant growth and ultimately achieving a profitable exit. To align the interests of their senior finance executives with those of the investors, these private equity firms often supplement fixed annual remuneration with a long term incentive "carry" bonus. Carry provides executives with a share in the profits generated upon a successful exit, such as through a sale or an initial public offering. The structure and value of this carry arrangement can vary widely depending on the private equity firm's policies and the specific circumstances of each portfolio company.

In some cases, a top-tier carry arrangement can amount to roughly 100% of an executive's fixed annual salary package for each year of service. However, because the vesting and payment of carry are typically contingent on an exit event, the timing and certainty of these payouts remain inherently unpredictable, introducing an element of risk that finance executives must consider alongside the potential rewards.

Market Benchmarking for Remuneration Packages

ThompsonCook is regularly engaged by clients to benchmark remuneration packages for specific accounting roles. We conduct comprehensive analyses of the compensation packages actually accepted over the previous six months by candidates in companies of comparable industry, size, and ownership. This data driven approach provides a robust guide for establishing accurate market benchmarks by reflecting the remuneration actually agreed upon.

For Chief Financial Officer positions, the remuneration sections in recent ASX annual reports offers invaluable insights into current Chief Financial Officer compensation trends.

Hybrid Work and Office Strategies in 2025

As businesses continue to refine hybrid work strategies in 2025, the focus remains on balancing productivity, workplace culture, and operational costs. The role of the office is becoming more defined, with companies adopting tailored policies based on industry demands and workforce needs. Remote work is increasingly considered an earned privilege, granted through trust and tenure. Many finance teams are now required to be in the office at least three days a week, with a growing trend toward full time office returns. Additionally, the concept of pay differentiation between in office and remote employees is gaining traction as companies strive to align business performance with employee expectations.

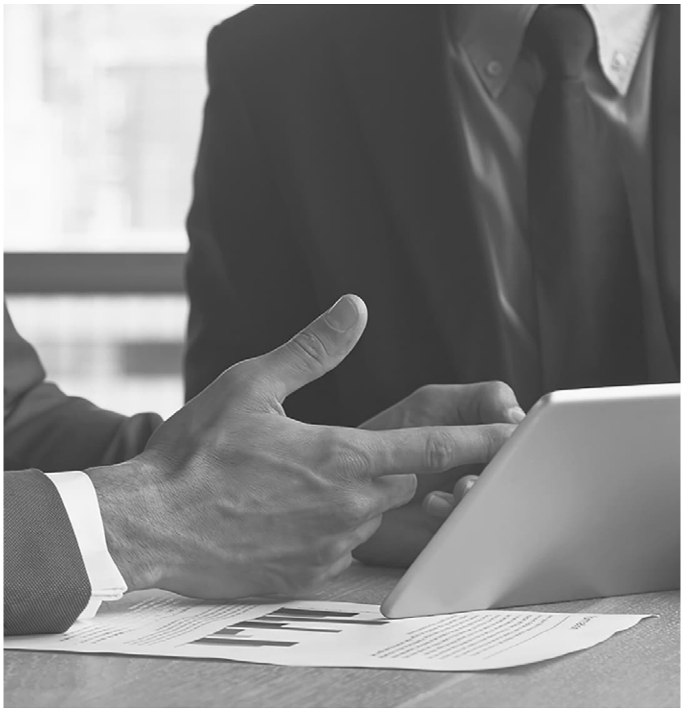
The debate surrounding the role of the office is expected to persist throughout 2025, as organisations continue to encourage their employees to return. It is now widely acknowledged that remote work, while beneficial in some respects, comes at a cost to business operations. As with many workforce planning challenges, there is no universal strategy that suits all organisations.

Companies place significant value on the informal interactions, unscheduled meetings, and spontaneous engagements that occur in an office setting. Numerous industry commentators have noted the challenges associated with building and maintaining professional relationships in a remote work environment.

While some employees prefer working from home, organisations are increasingly implementing policies to incentivise office attendance. Australian companies, in particular, have taken decisive steps to encourage employees to return to physical workspaces. Tabcorp has mandated that all office based employees return to the office five days a week, ending flexible work arrangements. This directive aims to enhance team collaboration, foster a winning culture, and drive company goals, with some flexibility allowed under managerial approval. Similarly, companies such as Woolworths, Coles, and Commonwealth Bank of Australia have implemented policies requiring employees to spend a significant portion of their workweek in the office. Additionally, Amazon Australia has introduced a policy stating that employees who attend the office fewer than three days a week require additional leadership approval for promotions.

A growing concern is that employees who predominantly work from home may be perceived as being “out of sight, out of mind,” potentially leading to disadvantages in career progression and workplace visibility. This perception could become particularly significant if economic challenges in 2025 prompt organisations to consider staff redundancies. As companies continue to refine their hybrid work policies, employees may need to navigate these evolving expectations to maintain job security and career growth.

Corporate Climate



The Australian economy continues to face significant headwinds in 2025, with rising inflationary pressures, geopolitical uncertainty, and ongoing supply chain disruptions shaping business strategies. As a result, workforce planning remains a top priority for corporate leaders navigating this uncertain landscape.

Business leaders are increasingly challenged by the need to balance operational efficiency, sustainable growth, and workforce stability. Cost cutting measures, including reductions in hiring, travel expenses, and discretionary spending, are becoming commonplace as organisations seek to maintain profitability in a volatile economic environment.

Hiring Freezes & Workforce Adjustments

Many companies, particularly in consulting, finance, and technology sectors, are maintaining cautious hiring approaches in response to ongoing economic uncertainty. Hiring freezes, delayed graduate programs, and reductions in full time recruitment are becoming more common as firms focus on cost management and operational efficiency.

Instead of expanding their permanent workforce, businesses are increasingly relying on short term contracts, outsourcing, and flexible workforce solutions to meet demands while mitigating financial risks.

Professional Services Sector

KPMG, Deloitte, EY, and PwC continue to refine their workforce strategies in 2025. These firms have adapted to economic conditions by adjusting hiring timelines, deferring graduate intakes, and restructuring internal teams. While some stabilisation is visible in certain areas, hiring remains selective and focused on key business priorities rather than broad workforce expansion.

National Job Market

The Australian accounting job market in 2025 has experienced a decline in job advertisements compared to 2024, reflecting broader economic uncertainty and cautious corporate hiring strategies.

Job ads now sit 15% above pre-pandemic levels, suggesting a resilient but slowing labour market. In early 2025, regional variations in activity suggest declines in Queensland and South Australia, steady figures in New South Wales, and some gains in Victoria and Western Australia.

ANZ Job Ads Index

Accounting Functions

The Evolving Landscape of Finance Functions

At ThompsonCook, we work with hundreds of companies across Melbourne and Sydney, giving us deep insight into the shifting dynamics of finance and accounting functions.

From 2020 to 2024, finance teams played a pivotal role in helping businesses navigate uncertainty, manage risk, and adapt to rapidly changing economic conditions. The demand for real-time financial insights and strategic decision-making led to the rapid expansion of finance teams, with many companies significantly increasing headcount and investing in financial technology. However, as the economy stabilises and companies shift their focus toward growth and expansion in 2025, the strategic importance of finance functions is evolving.

Although finance remains indispensable, CEOs and executive teams are now prioritising revenue generation. In 2025, increased investment and focus are being directed toward sales, marketing, and business development teams that drive top-line growth. The role of finance is possibly not as prominent as it held from 2020 to 2024. Today, finance teams are primarily responsible for enhancing efficiency, harnessing automation, and delivering streamlined financial insights that underpin broader commercial goals.

The finance recruitment landscape is adapting to this shift in corporate priorities. Unlike previous years, where team expansion was a key theme, recruitment in 2025 will be driven primarily by staff turnover rather than growth. With finance teams having already scaled significantly between 2020 and 2024, companies are now optimising structures to balance cost, technology, and strategic value.

Typically, our clients seek finance executives due to:

- The resignation of an existing staff member
- A strategic restructuring of finance roles to enhance capabilities in analytics, automation, and decision support

With organisations now focusing on revenue-generating functions, finance hiring will be more selective. Businesses will prioritise finance professionals who can drive efficiency, integrate financial technology, and provide the strategic insights needed to support commercial teams. While finance remains an important pillar of corporate success, its role in 2025 is one of support rather than leadership in driving business direction.

At ThompsonCook, we remain committed to helping organisations build agile, high performing finance teams that align with the evolving priorities of business leaders in 2025 and beyond.

Specialist Functions:
Tax | Treasury | Corporate Development | Audit

In 2025, we will continue to see change in specialist areas such as Tax, Treasury, Corporate Development, and Audit. Companies are increasingly investing in highly specialised internal teams, with Tax, Treasury, and Audit divisions becoming more focused and refined as companies value in house expertise.

Notably, there was a significant uptick in demand for tax professionals in the second half of 2024, a trend that is expected to continue throughout 2025. The trend of outsourcing these specialised functions to consulting giants like PwC, Deloitte, EY, and KPMG has noticeably decelerated.

The Dynamics of Job Searching

Headhunting is the most effective channel for sourcing high calibre 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 implement some form of preferred supplier agreement. Standard market fee rates generally are 19% for placements under $200,000 and 21% for placements exceeding that amount, while large banks and government contracts often secure rates that are 3-5% lower. Despite these agreements, there is typically significant leakage in the costs incurred.

Over the past five years, the approach has shifted from recruitment suppliers actively presenting and pitching for preferred supplier agreements to companies employing a procurement model. In this model, companies issue standard terms and conditions for all suppliers at fixed fee rates.

As businesses increasingly focus on controlling operational costs in 2025, preferred supplier agreements are poised to become even more significant by offering enhanced oversight and management of recruitment expenditures.

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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.

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Our Partners.

Partner
Sophie Wood

Partner
Maxime Moffroid

Partner
Matthew Cook

Partner
Jimmy Carruthers

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Nancy Zhou

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