



21/22 FINANCIAL YEAR

ACCOUNTING FIRM SALARY GUIDE

Partner to Junior Accountant

Prepared by
Lawson Delaney
Professional Services Team

LAWSON DELANEY

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A LETTER FROM US



As we reflect on the 2021/22 financial year, the themes that come to mind are **change**, **challenge** and **rebuilding**.

Throughout the pandemic, public practices were inundated with work on behalf of clients who needed to access grants and stimulus measures, in addition to recurring compliance and advisory led work. As a result, there has been a huge amount of pressure on the Accounting workforce resulting in fatigue and a highly competitive market for the talent who can alleviate the strain that firms are experiencing.

Flexibility is a must.

Most professionals within the Accounting market now view flexible working and working from home as an essential role requirement. Firms across the country were offering this due to government restrictions, but as we hit mid 2022, many public practices want their employees back into the office - and are losing staff because of it.

Interestingly, we have seen a shift in Accountants wanting to work close to home (30 minute commute or less!) which is giving smaller suburban firms an edge in the market.

More Accountants than ever are seeking part-time roles and reports show that this trend will only increase. Firms can prepare by embracing job sharing and being open to part time applicants who they may have dismissed previously.

Navigating the rise of counter offers.

Any firm that has recruited in the last year will understand that it is now more competitive than ever to not only source top talent, but to actually get them to start, that being, from signing the contract to starting their first day in a new position. Accountants are being headhunted daily and often change their minds about a new role, in some cases even after they have signed on the dotted line. Firms and hiring managers must stay close to new hires and move quickly through the recruitment process. Whether it's inviting the candidate to meet the team before they start or sending them a welcome pack - these steps are not to be overlooked.

Research led by Lawson Delaney shows that firms that agree to a counter offer often lose that staff member within a year, regardless of salary increases or other perks. Counter offers are also one of the biggest reasons for the salary hikes the market has experienced in recent years.

CONTINUED...

Salary isn't everything.

Despite the salary increases seen across the Accounting profession, the biggest outlying maximum packages have come down from last year's salary surges. Our data shows that the market averages have risen slightly but firms are not as desperate as last year and can wait for the right hiring fit - whether that is skills, salary package or cultural fit.

Jobseekers are also carefully assessing culture and incentives other than salary. Be proactive in the way that you assess your culture, and leverage tools and networks available to you to ensure that you are fully across the wants and needs of your workforce - this will save you the time and effort of refilling key roles.

2021/22 takeaways:

- Have you budgeted for recruitment spend?
- Assess your employer value proposition for new hires and to retain talent
- It's not always about money - feeling valued and career development matter

Please note:

This study has been compiled by contacting candidates and clients who work solely in public practice and is the most targeted study of its kind in the Melbourne market.

The remuneration figures recorded are made up of a base and super only and doesn't reflect total earnings from profit share or dividend income.



We have a wealth of experience in our specialist Accounting Firm Recruitment & Advisory team here in Melbourne.

Should you want to discuss in-depth, feel free to reach out to our team. Best wishes for the new financial year ahead!

Lawson Delaney Professional Services Team

Contact us:

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PARTNER / DIRECTOR

The COVID-19 pandemic and subsequent repercussions have seen a big shake up at this level.

Many firms have promoted staff to Partner/Director this year in an effort to retain and reward top talent but also to create solid succession plans.

Most candidates who are seeking Partner positions are leaving their businesses due to understaffed teams or promises of promotion being put off.

Our research shows that the maximum pay bracket has increased by 40% in the last year.

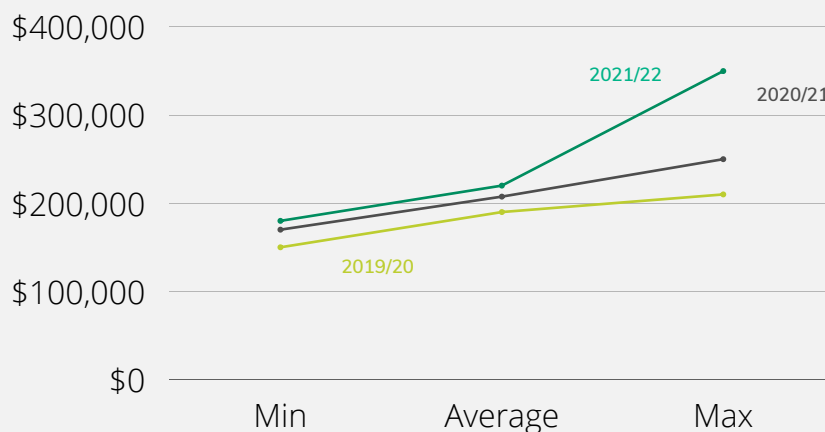
These packages don't include short and long term incentives or income generated via shareholdings

Of interest:

Senior Partners who are looking to change firms are prioritising company culture and how well they get on with their fellow Partners.

Partner / Director 2021/22 FY Salary	
Min	\$ 180,000.00
Average	\$ 220,000.00
Max	\$ 350,000.00

FY Salary Comparison 2019-2022



SENIOR MANAGER

The definition of Senior Manager is somewhat different from firm to firm as some have more staff responsibility than others. Years of experience are broad; the average being 14 years' experience but it can be significantly more than this.

This was the only seniority level that garnered more female respondents than male, and only 6% of Senior Managers surveyed preferred a CBD office.

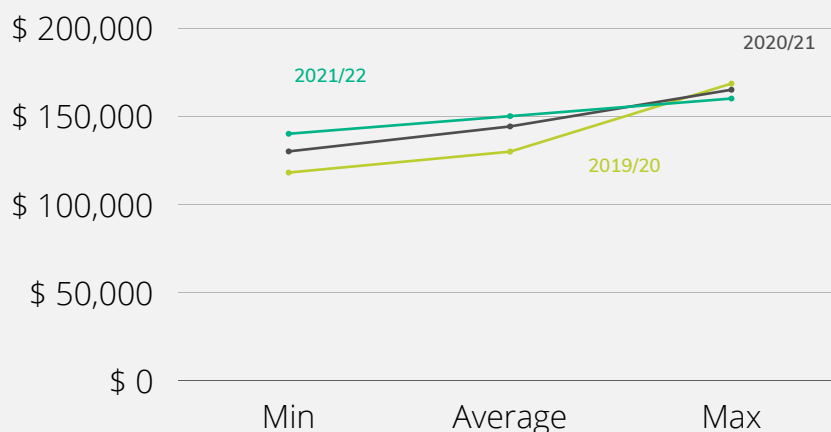
Salaries haven't changed much in this bracket since 2019.

Accountants at this level move quickly because they want higher compensation and a Partner position at the same time.

The reasons for leaving are similar to that of a Manager; opportunities to become a Partner, management differences between current Partners and the individual, burnout, or underperforming firms with poor client relationships - resulting in the loss of those clients.

Senior Manager 2021/22 FY Salary	
Min	\$ 140,000.00
Average	\$ 150,000.00
Max	\$ 160,000.00

FY Salary Comparison 2019-2022



MANAGER

There has been a lot of movement at this level over the last 12 months, particularly due to Partners considering their own futures and creating contingency plans with future leaders who can manage the business in the short term. Managers most commonly leave firms at this level when seeking a clearer partnership opportunity, if they don't like a Partner, or if they are unable to lead their team in the way they would like.

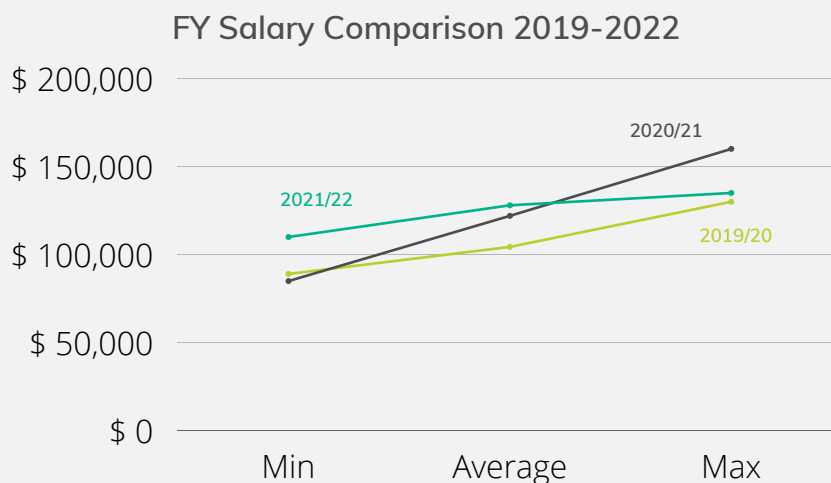
In this bracket we found that the majority of respondents want to work close to home which may reflect the 7-9 years' experience typically found.

It's important to mention Career Managers here, a title used when describing a highly experienced Manager who may have the capability to be a Partner but chooses not to be. These Accountants work hard and deliver good work, and then go home without the pressures of an ownership model. Long term Career Managers often move firms when looking to try something different and keep things interesting.

Of interest:

Managers often leave roles for opportunities which pay \$10k more. Average salaries at this level are similar to last year but packages at the top end have dramatically decreased by 16%.

Manager 2021/22 FY Salary	
Min	\$ 110,000.00
Average	\$ 128,000.00
Max	\$ 135,000.00



ASSISTANT MANAGER

In most firms the Assistant Manager has responsibility for a number of staff and a portfolio or block of fees, though there are some 'Managers' who have the title but not the responsibility. Some Assistant Managers/Supervisors get involved in practice management, training, IT/web issues, and other non-billable work.

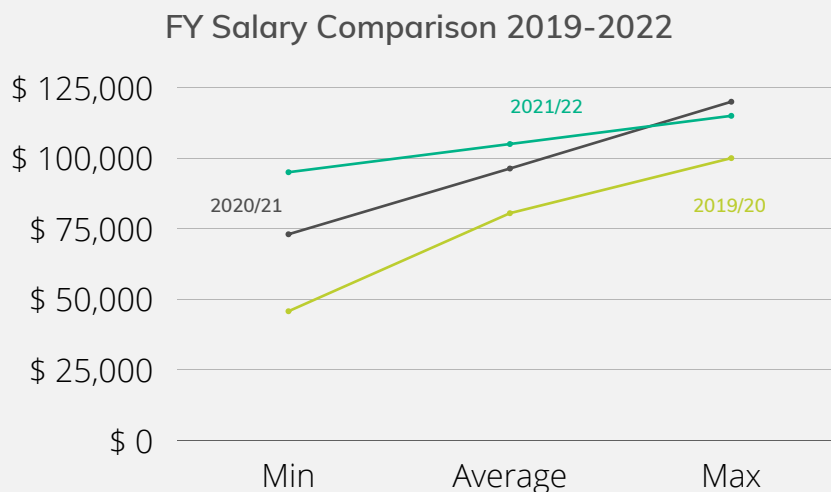
Accountants often don't tend to stay or intend to stay at this level for very long. They see it as a short term stepping stone to Manager. If that doesn't happen, they go somewhere else to get it. We have found that there has been an average pay increase of nearly 10% for this bracket.

Of interest:

This was the only level of seniority we surveyed where respondents did not seek part-time roles. This level is disappearing from the market as firms clamoring for Senior Accountants are offering them management titles. Having said that, the average years of experience for an Assistant Manager is 5.4 years and Seniors is 4 years' experience. This is still an informed way of getting the attention of a Senior Accountant that shows a clear progression path.

We found that 60% of respondents identified as male whilst 40% identified as female.

Assistant Manager 2021/22 FY Salary	
Min	\$ 95,000.00
Average	\$ 105,000.00
Max	\$ 115,000.00



SENIOR ACCOUNTANT

A 'Senior' is typically defined as a qualified Accountant with more than three and a half years' experience. Maybe a better definition is: an Accountant who can self-manage, someone who is actively in contact with clients, and is just beginning to maintain their own workflow and assist in the day to day management of a small team. It is common for some to stay at this level for the rest of their career, depending on their appetite and opportunity to manage.

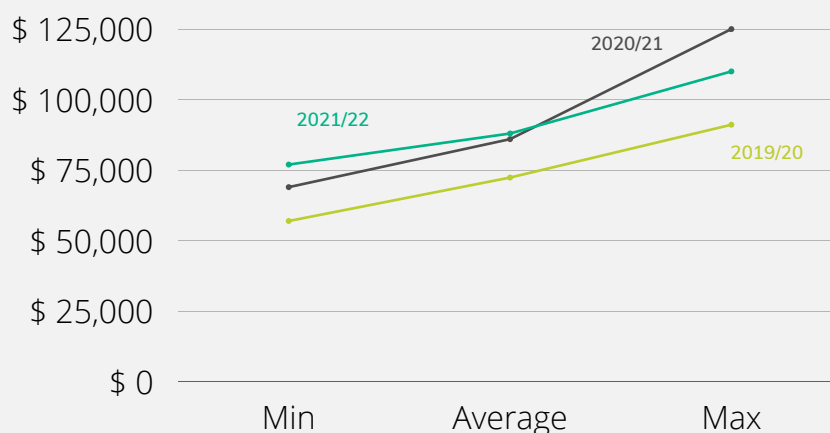
Interestingly, maximum pay packages for Senior Accountants have dropped by 12% between 2020/21 and 2022.

Firms still have a need for Seniors but are not desperate and can wait for the right person if they must. We have also seen many examples where overpaying won't guarantee you a hire. Candidates are increasingly changing their minds - increased flexibility and a clear path into management, sometimes even partnership, are defining factors to secure your hire.

56% of respondents identified as male whilst 44% identified as female.

Senior Accountant 2021/22 FY Salary	
Min	\$ 77,000.00
Average	\$ 88,000.00
Max	\$ 110,000.00

FY Salary Comparison 2019-2022



INTERMEDIATE ACCOUNTANT

Most high performing Intermediates have one and a half to three years' experience, and therefore a lot of Intermediates have spent most of their full-time career working from home.

In this bracket we found that the majority of the respondents were open to both working close to home and in the CBD.

Intermediates are in high demand as many firms view them as employees who know what they are doing and can contribute quickly without too much time and money put towards training.

Quality Accountants at this level are considered a rare commodity resulting in firms spending a longer time searching for the right person to fit these positions. From this we have seen firms widening their searches to include broader criteria.

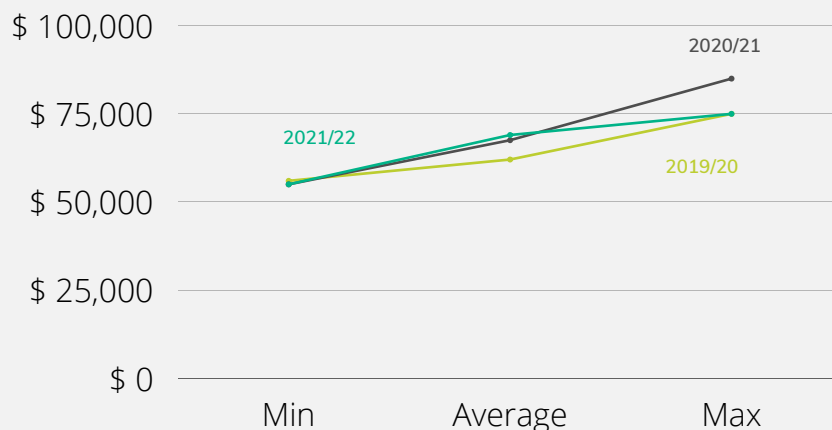
Notably, maximum salary packages have dropped to 2019/20 levels after a spike in 2021.

Of interest:

Over 16% of Intermediate Accountant respondents were seeking a part-time position.

Intermediate Accountant 2021/22 FY Salary	
Min	\$ 55,000.00
Average	\$ 69,000.00
Max	\$ 75,000.00

FY Salary Comparison 2019-2022



JUNIOR / GRADUATE ACCOUNTANT / CO-OP STUDENT

A 'Junior' is an unqualified Accountant who has 0-12 months' experience, although we have seen an increase in the time spent in a Junior position with 11% of respondents spending up to two years at this level.

Our research shows that the majority of the respondents have spent the most of their new full-time career both working from home and at the office.

This has resulted in professional training not being as well rounded as firms have been used to since before the pandemic.

Of interest:

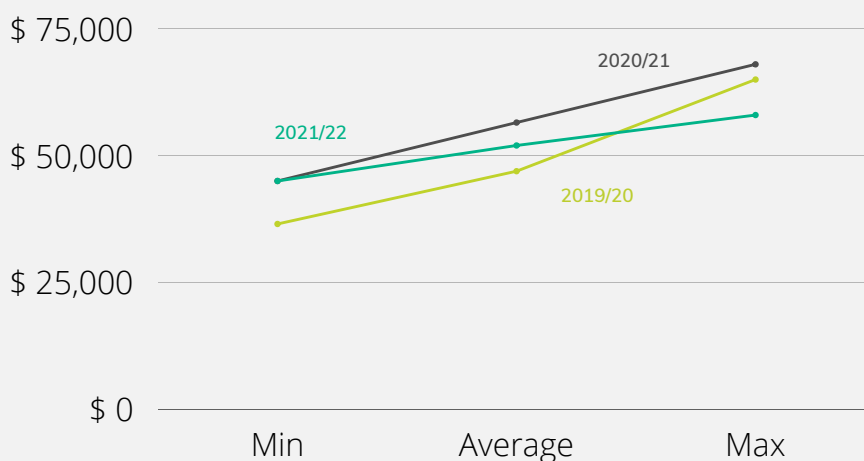
Accounting firms are experiencing a shortage of Seniors. Hiring Graduate or Junior Accountants with a long term development plan could be the answer.

Organising part-time co-op students to intern, with a view to hire after graduation, is also a worthwhile option.

Junior / NGT Accountant 2021/22 FY Salary

Min	\$ 45,000.00
Average	\$ 52,000.00
Max	\$ 58,000.00

FY Salary Comparison 2019-2022



CONCLUDING STATEMENT

This year has seen the outlier salaries settle somewhat as firms seek to recover increased operating costs from unplanned hires. Many are now waiting before throwing around big numbers for employees yet to prove themselves. Candidates are also taking a more cautious approach to job seeking and are being won by more than just high salaries.

Our key takeaway for employers this year is to **assess your practice as a whole**. Ensure you have a **compelling employment value proposition** and look to meet the market, if not better it, by way of perks and benefits. Work hard to engage employees, new and old.

How much are you willing to spend to replace a good employee? It makes sense to divert some additional resources to keeping existing teams intact - and more importantly happy - in order to avoid having to hire at a 20% increase in the open market.

Factor in recruitment and general “people costs” to your annual budgeting process. Most employers will experience additional expenditure in this area in the coming financial year, and if unplanned, this will hurt.

It's not always about money. Make sure people know that they are valued and play an important role in your business, and that there are clear career plans laid out for their future success.



We encourage you to engage with our team to fully understand what other employers are offering to ensure you remain competitive. Our businesses are our people after all, and we should see the value in good employees and engage accordingly.

Services available:

- Professional Services recruitment
- Cultural assessment tools
- Managed recruitment solutions (outsourcing talent strategy and management to improve quality, risk management and reduce spend)
- Website development and social media strategies for career platforms and talent pipelines

TALK TO US

Professional Services Team

Lawson Delaney's Professional Services Recruitment practice is focused on providing executive search, professional recruitment and advisory services specifically tailored to professional services firms in the Accounting market, both locally and nationally.

Our team's candidate focus ranges from Accountant positions through to Partner and Practice Lead roles. Our local, national and international clients include Big 4, top 10 global firms, large national firms, and high calibre boutiques. We also support advisory, insolvency, corporate finance, insurance, risk, and tax consulting firms as well as Family Offices.



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