

Accountancy firms to increase salaries across FY2023–24: Hays

BUSINESS

The recruitment company said 96 per cent of accounting firm employers plan to increase salaries.

By [Josh Needs](#) • 02 June 2023 • 5 minute read

Accountancy firms plan to increase salaries across the 2023–24 financial year, according to recruitment company Hays.

According to the recently-published *FY23-24 Hays Salary Guide*, 96 per cent of accountancy employers plan to increase salaries and 76 per cent are planning to grow pay by more than three per cent.

Regional director of Hays David Cawley labelled the coming financial year the “year of the raise”.

“We’re calling this the year of the raise, where the promise of higher salaries reflects the intensity of the skills shortage in today’s jobs market,” said Mr Cawley.

“This year, both the number and value of increases will rise, continuing the upwards trajectory we first noted in last year’s Hays Salary Guide.”

“Despite the increased salary boost, employers and their accountancy employees’ expectations still fail to align. Many employees feel undervalued and underpaid. They feel their current salary doesn’t reflect their individual performance.”

Hays listed the four main factors motivating employers to raise salaries over the coming year:

1. Competition amid a growing skills gap crisis

The firm said many employers had offered higher salaries than planned in an attempt to attract accounting talent.

“Many employers find that the pipeline of skilled accountancy professionals doesn’t meet their needs,” said Mr Cawley.

“As candidate supply continues to tighten, employers face increased pressure to proactively attract and retain talented employees.”

2. The ripple effect of falling real wages

Hays said the expectation of the majority of both employers and accountancy professionals was that pay rises should keep up with inflation.

“Employers are sensitive to the hidden cost of falling real wages on employee engagement, mental health and wellbeing, morale and job satisfaction,” said Mr Cawley.

“While few employers can match inflationary pressures, they are stretching their salary increase budget as far as they can to support their staff.”

3. The impact of pay transparency

The firm found the change to the pay transparency laws led to more employers being upfront with employees to build trust and improve fairness, and discovered 33 per cent of employers were honest with all employees about wages.

“We expect these figures to rise in the months ahead, with the abolition of pay secrecy in Australia prompting more employers to audit salaries, scrutinise disparities and make adjustments when required to ensure fair and equal pay,” said Hays.

4. The great ask

Hays’ research revealed 66 per cent of accountancy professionals planned to ask for a pay rise within the year, up from 58 per cent last year and 45 per cent the year before.

“Employees still feel they have bargaining power and are more confident to negotiate for better pay,” said Mr Cawley.

The firm advised employers searching for talent in the tight labour market to display what their business can provide potential employees outside of just remuneration.

“The overall trend suggest that many believe investing in their workforce, such as through salary increases, headcount expansions and upskilling, is key to success,” said Mr Cawley.

“To stand out in the race for talent, also review the benefits you offer.”

“Consider what else you can offer to attract and retain talent such as opportunities for growth, wellbeing days, additional annual leave, improved recognition, work-life balance or a more positive work environment.”