



BUSINESSNEWS

Accounting Firms

SPECIAL REPORT



Photo by Paul Fiedler on Unsplash

businessnews.com.au



James Massie-Taylor takes in the view from BDO's new office in the central business district. Photo: David Henry

Accounting firms battle for talent

Two recent acquisitions have helped Deloitte extend its lead as WA's largest accounting and consulting firm.



Mark Beyer
mark.beyer@businessnews.com.au

“It’s [new office] very much around repositioning our already strong brand into the market where we play - James Massie-Taylor

ACCOUNTING firms in Western Australia are back on the growth path.

The total number of staff at the 20 largest firms in WA has increased by 6.5 per cent to 4,568, according to *Business News' Data & Insight*.

That was after a 3 per cent fall in the prior year, when fears of a COVID-19-induced slowdown prompted many firms to cut staff.

The number of staff would have increased even more over the past year if employers could get their hands on the right people.

Instead, they are desperately trying to hang onto their existing staff, as competitors and other businesses offer increasingly attractive packages to potential recruits.

The growth has been led by Deloitte, which has added nearly 100 people to its WA practice during the past year.

It now employs 768 professional accounting and consulting staff in WA (see list, page 41).

PwC has also expanded, with its professional staff numbers increasing to 660, making it number two in the local market.

Long-time industry leader EY has broadly plateaued over the past few

years, with a total of 649 professional staff in the latest count.

It now ranks third in the WA market, followed by KPMG.

Among the mid-tier firms, RSM has recorded substantial growth in staff numbers over the past few years.

It has 337 professional staff on its books and is ranked fifth.

That put it ahead of BDO, which achieved modest growth over the past year to have 195 professional staff.

One firm moving steadily up the ranks is Moore Australia WA, which has grown to have 94 professional staff, making it the eighth largest firm in WA.

James Massie-Taylor, who was recently appointed BDO's Perth managing partner, has taken the reins at a time of intense competition for talent.

“The business is going well,” Mr Massie-Taylor told *Business News*.

“We’ve seen a lot of improvement in performance over the past 12 months consistent with everybody else.

“We’re all experiencing the same people issues, there just doesn’t seem to be enough people to fill the roles.

“From what I see, that is common across all industries, not just accounting.”

Mr Massie-Taylor believes BDO has been helped by its decision to hold onto staff last year.

“We didn’t want to do what everyone else was doing, which was cutting back, making people redundant and putting them on reduced pay and reduced hours.

“Inevitably the partners were the ones who wore the hit.

“Through that process we have had the ability to retain a lot of people.”

It is hoped BDO’s move to a new head office in the city will boost staff retention.

“Part of that is linked into the move to the city and the new office and the opportunity that represents,” Mr Massie-Taylor said.

The firm is taking two floors in the 14-storey building in the Capital Square precinct, next to Woodside’s head office.

Its lease agreement includes signage atop the building.

“We wanted something that could be uniquely BDO, rather than just being another tenant in a multi-storey building,” he said.

Mr Massie-Taylor believes the new office and signage signifies the



brand's market profile and is more fitting with the company's brand.

"It's very much around

repositioning our already strong brand into the market where we play," he said.

He expects working in the city will help staff make connections and build relationships with both peers and clients.

Like most firms in the WA market, BDO has been experiencing strong demand for services across the board.

"The capital markets are driving a lot and that has a flow-on effect to basically all areas within the firm," Mr Massie-Taylor said.

"There is consistent demand for most services."

Nationally, BDO achieved revenue growth of 6.3 per cent over the past year.

Mr Massie-Taylor did not share WA data but indicated the local practice had done well.

"WA completed a number of good deals that pushed our target for the year higher," he said.

With supply constrained by the lack of people, all firms are starting to push up their fees and most have started to turn work away.

"We won't take on work if we can't deliver to a high standard," Mr Massie-Taylor said.

"There are situations where we are turning down work, but we are active with the client to help them find an alternative."

"In general, pricing has increased.

"That's because pricing of everything has increased, wages have increased."

Corporate finance

Corporate finance has been a strong growth area for the sector.

That reflects the boom in capital raisings, and especially initial public offerings.

This has been good news for BDO, which has long been a market leader advising on such deals.

BDO has also benefited from the pick-up in mergers and acquisitions.

Its niche has been advising privately owned WA businesses seeking a change of ownership.

Notable deals over the past year include advising on the sale of Go West Tours, McKay Drilling, and Enerflow Mining Services.

Another firm targeting the same opportunity is RSM, which in July recruited Craig Amos to bolster its corporate finance practice.

Mr Amos brought more than 20 years' experience to RSM, both as an adviser

and as CFO at large public and private companies, including Decmil and Velrada.

His appointment means RSM has three partners in its corporate finance team, including Nadine Marke and Justin Audcent.

Mr Amos said RSM had the capacity to bring a wide range of services to clients, from corporate advisory through to due diligence, risk management, board governance, tax advice and audit.

"We can bring in a lot of areas that an investment bank can't do," he said.

RSM also offered an advisory capacity that was independent of the work undertaken by the stockbrokers that fill lead manager roles on capital raisings.

Another opportunity RSM is targeting is advising companies on the integration of mergers.

As well as Mr Amos, RSM has recently bolstered its partner ranks with the recruitment of tax specialist Carl Di Lorenzo.

Managing partner Con Paoliello said the new partners would help RSM maintain its strong growth.

Continued on page 38



Libby Lyons joins CGM

Internationally recognised gender equality, diversity and inclusion (GEDI) expert Libby Lyons has joined CGM Communications.

Libby will provide leadership, strategy and communications advice to our clients to support their GEDI journey and build stronger businesses.

Contact Libby

libby@cgmcommunications.com.au



cgmcommunications.com.au



Con Paoliello (centre) has been joined this year by new partners Craig Amos (left) and Carl Di Lorenzo. Photo: David Henry

From page 37

“It’s [growth] the traditional service lines as well as new service areas, such as cybersecurity, IT consulting and risk advisory - Con Paoliello

A recent national survey showed RSM had achieved annual growth of 10.1 per cent, bigger than any other firm.

The Perth office had done even better, increasing net revenue by 15.5 per cent over the year to July 1 2021.

Mr Paoliello said the growth was across all practice areas except for insolvency.

“It’s [growth] the traditional service lines as well as new service areas, such as cybersecurity, IT consulting and risk advisory,” he said.

“Some of that has been client led and some we have led with the chin.”

Mr Paoliello said the growth was part of a deliberate plan when RSM moved to new offices in the Exchange Tower building in the CBD just more than four years ago.

“We knew what the floor space was in the Perth office, and we needed to make sure we could fill that space, not just for growth’s sake but to grow the firm profitably and to create career paths and opportunities for people,” he said.

Mr Paoliello believes RSM’s culture has been a big factor in its capacity to attract new people.

“We’ve had a proactive focus on recruiting, but we haven’t engaged a

headhunter to find those people,” he said.

“We’ve often found the new recruits reach out to their contacts who might be unhappy where they are.”

Mr Paoliello also considers RSM’s size has been a competitive advantage.

“We have the suite of services to look after large clients as well as being nimble enough to go down the SME food chain,” he said.

Mr Paoliello, who has been office managing partner in Perth for six years, will hand over that role to audit partner Alasdair Whyte at the end of 2021.

“Another generation needs to step up and drive the organisation forward,” he said.

Recruitment firm PageGroup has shed light on the people pressures in the sector.

A recent report confirmed the WA finance market had experienced significant shortages in available talent, especially in transactional finance roles such as payroll positions.

It has identified a 15 per cent increase in temporary labour within payroll departments.

PageGroup also reported a 25 per cent increase in demand for qualified management and financial accountants.

It said salaries had increased by at least 5 per cent since last year, a figure many industry players considered a conservative estimate.

Another area on the rise is the recruitment of chief financial officers, up 27 per cent compared to the market immediately before COVID-19.

PageGroup said that, after flat trading conditions in WA for several years, companies were now making faster recruitment decisions.

Grant Thornton partner David Hodgson is one of many grappling with this challenge.

“The major issue for the sector is resourcing,” Mr Hodgson told *Business News*.

“There is a war for talent.”

Mr Hodgson said there was plenty of work for Grant Thornton.

“Demand has never been higher,” he said.

“Our numbers would be higher if we could find the people.”

“That’s the biggest risk for the business.”

Grant Thornton is ranked as the 10th largest accounting firm in WA, after a reduction in professional staff numbers to 89.

Continued on page 40

Let your workplace tell your story



Company branding is big business. Telling the story of your company – what it stands for, what it values and what it aspires to – is one of the biggest challenges you'll have in building a successful, growing business.

A business' brand embodies the heart and soul of the company. A company with a strong, cohesive and well-thought-out brand is also a company with loyal customers – the two magic words of any business!

At its core, branding is the act of establishing a sense of what a company stands for and then (importantly) communicating that brand message far and wide.

Easier said than done?

Not necessarily.

At HUB Interiors, we believe you should work from the "inside out" when it comes to branding. By that we mean: the strongest brands are represented by their office space. In other words, let your workplace tell your story.

First impressions count

Typically, you have seven seconds to make a first impression – and you only get one chance at it. It's

important that when a potential client, stakeholder or employee enters your office space for the first time, they get a clear idea of who you are and what you stand for.

At HUB Interiors, we believe office design is the most effective way to communicate your brand.

HUB's HQ

Take, for example, HUB's head office on St George's Terrace in Perth's CBD. Step inside and you'll instantly get a sense of our brand identity, which encompasses positivity, creativity, collaboration and mental wellbeing.

Our office space is testament to these values. The space has been equally divided into three – one area for work, one area for meetings, plus a breakout area for unwinding and relaxing. An abundance of natural light and soft furnishings absorb noise and create a sense of warmth and relaxation, improving the health and wellbeing of our valued team.

Importantly, each member of the HUB team has their own space. Traditionally, commercial interior designers allocated around 10 square metres per team member, but we prefer closer to 14 square metres. In our experience, this tends to be much better for the team's health and wellbeing.

Freeflow of space

Is collaboration part of your branding, as it is for HUB Interiors? If so, rows of cubicles or closed office doors are not appropriate! Instead, your office space should be freeflowing and collaborative.

Workplace designs that allow employees to collaborate with each other as well as for quiet reflection encourage both flexibility and creativity, and well as keeping the environment exciting and stimulating.

At HUB, we pride ourselves on creating workplaces in which clients and employees can move freely. This reflects our brand values of creativity and flexibility. Our spaces are easy to navigate and provide a seamless connection between quiet reflection and creative collaboration.

Tell your story

Conveying a brand's culture in office design is pivotal. Brands should be developing workplaces that promote their values, work styles, in an environment that nurtures success. Your office interior should be tied to the vision and mission of your business and be a reflection of your company's product and culture.

At HUB Interiors, we work alongside our clients to create authentic office spaces that embody the culture and spirit of a company and its people.



9329 6880 | www.hubinteriors.com.au
Level 1/220 George's Terrace, Perth



Michael McNulty leads Perth's largest accounting and consulting firm. Photo: Gabriel Oliveira

From page 37

“That unique ability to integrate strategy, people, and technology continues to be one of our key differentiators

- Michael McNulty

Mr Hodgson said the firm was anchored by its audit practice, which is one of the largest in WA outside the big four.

That flowed through to other practice areas, including tax.

He said the firm was making several changes to suit the current market circumstances.

Like many of its competitors, Grant Thornton has been reviewing its pricing.

It is investing more in technology, to make its systems more efficient.

“We have also decided to go in-depth in fewer industries,” Mr Hodgson said.

Areas where it is seeking to build expertise include retail, real estate and construction, and energy and resources.

Deloitte’s rapid expansion has been driven by acquisitions in its consulting practice.

The most notable from a WA perspective was Perth-based Oracle consultancy Magia Solutions.

Company founders Steve Solomon and Peter Crew, along with chief executive Surend Dayal and chief operating officer Chris Hinds, have all become Deloitte Consulting partners this month.

They have brought with them 60 staff in Perth, along with a further 15 interstate.

Mr Hinds said the combination would create one of the largest and broadest Oracle specialist teams in the WA market, with around 90 locally based Oracle experts.

Deloitte’s Perth office also gained a boost from the acquisition of Brisbane-based asset management consultancy Bluefield, which operates primarily in the resources sector.

The Bluefield acquisition added 100 people to Deloitte’s national consulting practice, including 15 in Perth.

Perth managing partner Michael McNulty said the firm had completed five acquisitions since the start of June involving an additional 13 partners and more than 250 team members.

Helped by these acquisitions, its revenue is growing at more than 15 per cent.

The latest flurry of acquisitions continues a pattern over several years, with Deloitte adding specialist capability by buying smaller consultancies.

Notable deals have included Sydney-based consulting firm Presence of IT, which had about 600 people across Australia and overseas, and

Perth-based The Terrace Initiative, which added two partners and 25 people to the WA practice.

Mr McNulty said Deloitte was achieving strong growth in demand for all services.

“Pleasingly, we are seeing consistent client demand for our services and all of our businesses have grown at double-digit rates year-to-date,” he said.

“Highlights include very strong growth in our financial advisory [led by M&A activity] and risk advisory businesses.”

Mr McNulty acknowledged the acute pressure on the supply side, with lots of poaching by commerce and competitors.

Deloitte’s consulting division had been helped by the shift towards environmental, social, and corporate governance (ESG), especially decarbonisation, and digital transformation, including the migration to the cloud.

Deloitte has the largest consulting practice of the big four firms in WA.

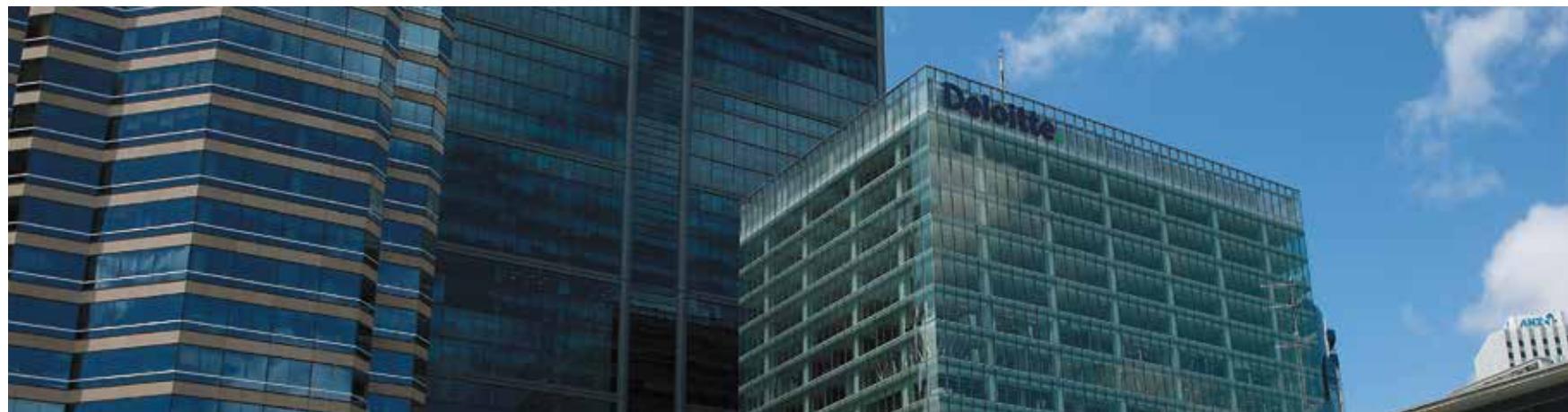
It accounts for 42 per cent of its WA revenue.

“That unique ability to integrate strategy, people, and technology continues to be one of our key differentiators,” Mr McNulty said.

Data & Insights

WA'S LARGEST ACCOUNTING FIRMS

Ranked by number of accountants in WA



Rank	Change from previous year	Name	Senior executive and title	Year est. in WA	Offices in a) WA b) Inter-state	No. of partners	No. of accountants (including partners) in WA	Total staff in WA	Services offered
1	—	Deloitte	Mr Michael McNulty Managing partner, Western Australia	1891	a) 2 b) 11	70	768	800	Audit and assurance, consulting, Deloitte Private, economics, financial advisory, international specialist services, risk advisory, tax.
2	↑	PwC	Ms Michelle Tremain Managing partner, Perth	1896	a) 1 b) 9	51	660	679	Assurance, consulting, Asia practice, deals, legal services, private clients, tax, Indigenous consulting, capital project services.
3	↓	EY	Ms Fiona Drummond Partner of assurance, managing partner of western region	1989	a) 1 b) 6	53	649	700	Global professional services firm and market leader in assurance, tax, transaction, and advisory services.
4	—	KPMG	Mr Trevor Hart Partner of audit & assurance, global head of mining, chair of WA practice	1907	a) 1 b) 12	29	416	446	Global professional services firm providing clients with audit, tax and advisory services.
5	—	RSM	Mr Con Paoliello Managing partner, Perth	1922	a) 19 b) 12	31	337	455	Assurance and advisory, business advisory, restructuring and recovery, corporate finance, risk advisory services, tax services, financial services, data analytics, fraud & forensic ...
6	—	BDO	Mr James Massie-Taylor Managing partner	1978	a) 1 b) 9	22	195	245	Audit, tax, corporate finance, internal audit, risk advisory services, forensic services, consulting services, bookkeeping, outsourcing, private clients, training, environmental and sustainability ...
7	↑	Success Tax Professionals	Mr Darren Gleeson Chief executive	2003	a) 44 b) 42	95	100	120	Business accounting services, taxation return preparation, self managed superannuation funds.
8	↑	Moore Australia WA	Mr David Tomasi Managing partner	1977	a) 1 b) 13	15	94	110	Audit and assurance, assurance advisory, business advisory, tax advisory, business valuations, independent experts reports, corporate finance, litigation support, corporate secretarial ...
9	—	Nexia Australia	Mr Mal Di Giulio Managing director	1976	a) 1 b) 7	13	90	102	Accounting, audit and corporate, superannuation, business advisory, corporate finance, estate planning and asset protection, taxation, financial planning.
10	↓	Grant Thornton	Mr David Hodgson WA office chair & partner, financial advisory	1964	a) 1 b) 6	14	89	112	Audit services, tax services, recovery and reorganisation, corporate finance, services to privately held business.
11	↓	Hall Chadwick WA	Mr Wayne Healy Managing director	1985	a) 2 b) 8	10	83	101	Broad range of audit and advisory services, taxation, business services, accounting, management consulting, SMSF, R&D, licensed financial planning, finance, insolvency ...
12	—	HLB Mann Judd	Mr Lucio Di Giallonardo Managing partner	1985	a) 2 b) 11	10	80	94	Audit and assurance services, corporate advisory, business recovery and insolvency, business and tax consulting. Wealth management, financial planning and insurance services provided ...
13	—	Byfields Business Advisers	Mr Simon Northey Director	1949	a) 8	13	67	113	Business and farming taxation and consultancy, self managed superannuation, bookkeeping.
14	↑	Armada Accountants & Advisors	Mr Tony McDowell Managing director	1984	a) 3	11	67	108	Accounting, tax and consultancy, business advisory and industry specific business advice and structuring. Business management and virtual CFO services, bookkeeping, audit and assurance...
15	↑	AMD Chartered Accountants	Mr Shane Kaurin Director, Bunbury office	1982	a) 4	10	55	66	Accounting, taxation and compliance, audit and assurance, bookkeeping, business services, financial planning, superannuation.
16	—	Carbon Group	Mr Nathan Hood Founding partner	2014	a) 2 b) 8	23	52	84	CFO services, R&D, bookkeeping, payroll, cloud integration, insurance, finance, financial planning.
17	↓	Pitcher Partners	Mr Leon Mok Managing director	2004	a) 1 b) 6	8	51	63	Full service chartered accounting and advisory firm. Specialising in business advice and improvement, audit and assurance, personal and business tax, deal advice, business recovery and insolvency ...
18	↓	PKF Perth	Mr Darren Shillington Managing partner	1978	a) 1 b) 12	10	50	65	Audit and assurance, taxation, financial services, business services, superannuation.
19	↑	William Buck Accountants and Advisors	Mr Mark Collins Managing director	1986	a) 1 b) 5	9	47	53	Audit and assurance, business advisory, corporate advisory, tax services.
20	↓	Butler Settineri	Mr Pasquale Settineri Managing partner	1985	a) 1	5	45	52	Audit, corporate and assurance, financial planning, superannuation, taxation, financial and business services, family office, business mentoring, estate planning.
21									



GET THE FULL LIST ONLINE

 businessnews.com.au/bniq/accountants

Data & Insights

Showing 6 of 10,044

Fortescue surges but inflation weighs ASX

shed about 1.6 per cent. Accounting software vendor Xero has ...

Victim testimonies 'confronting': Macmahon chief

and safety policy didn't account for psychosocial hazards ...

Morrison won't subsidise electric vehicles

electric and plug-in hybrid cars accounted for 8688 sales in the first ...

Daly opens up on Minderoo, Tattarang

resignation in 2018. "I take accountability for what has occurred on ...

Perth investors set up innovative PE fund

goes to a business broker or accounting firm to sell." Mr Moore said ...

Cedar Woods buys \$49.5m Eglinton land

corridor, which has traditionally accounted for approximately 25 per ...

Accounting Firms

SPECIAL REPORT

Photo by Paul Fiedler on Unsplash