

FY 2022-23

SALARY GUIDE & INSIGHTS

ACTUARIAL & PRICING



CONTENTS

What to expect from this guide...

Page 2	Summary - Financials
Page 3	Summary - Motivations
Page 4	Salaries - Overview
Page 5	What's Changed in FY2022 Compared to FY2021?
Page 6	FY2022 Advertising Volumes
Page 7	Future of Actuarial & Pricing
Page 8	The Participants
Page 9	A Message From Your Team Members
Page 10	A Message From Your Leader
Page 11	Partners
Page 12	Get in Touch
Page 13	Parity's Recruitment Solutions
Page 14	Our Promise

TOP TRENDS

1

FEELING UNDERPAID
only **27%** of respondents believe they are being paid market rate

2

OPEN TO NEW ROLES
79% of professionals open to new opportunities

3

WHAT PEOPLE WANT

- Work from anywhere
- Compressed work week
- Additional leave

4

ROBUST DEMAND
54% of managers expecting to expand their teams in the year ahead

SUMMARY – FINANCIALS

1 SALARIES INCREASED BY UP TO 15%-20% OVER 2 YEARS

Salaries have increased up to 20% since FY2020. Some of the reasons include:

- We have not seen salary increases since FY2016
- Great resignation movement
- Increased demand for talent
- Skillset premiums (see below)

2 SPECIFIC SKILLSETS CARRY A PREMIUM

When speaking with Actuarial Managers, these are the highest in-demand skills they are looking for in their teams:

- Data Science expertise
- Top presentation skills
- Creative and inquisitive thinking

3 INCUMBENT TEAM MEMBERS ARE LAGGING

Incumbent team members who have not moved roles or organisations in the last 2 years will find themselves significantly behind market rate salaries. Organisations are finding this very difficult to navigate given pressures on their costs/budgets. Leaders are attempting to supplement salaries with non-financial benefits. See page 10 and 11 for details of employee/leader communications.

4 BONUSES

The number of financial services professionals receiving bonuses is once again on the rise, and over 90% of Fellows surveyed were eligible for a bonus in the past 12 months. At the more junior level, very few Actuarial Analysts are eligible for bonuses, and for those who are, the majority have not received one in the past year.

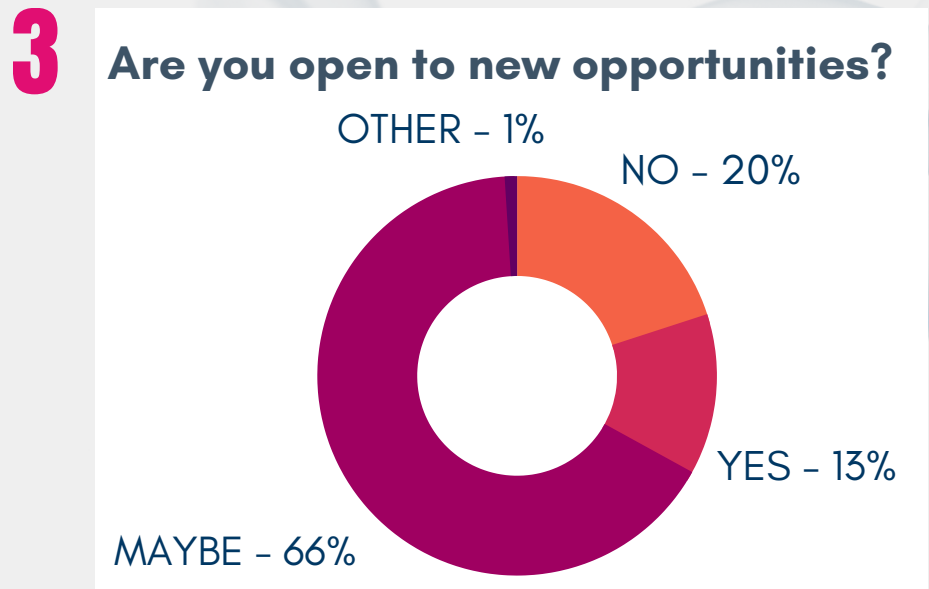
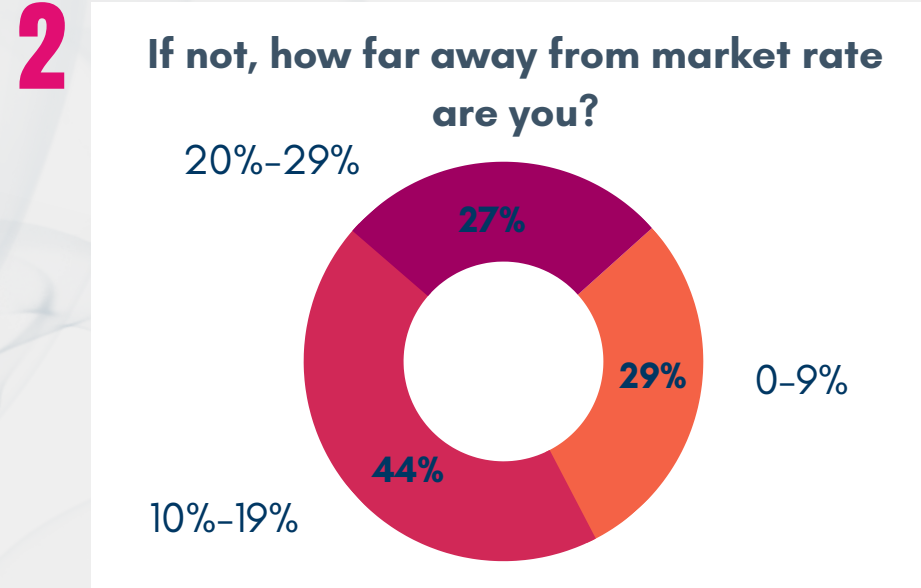
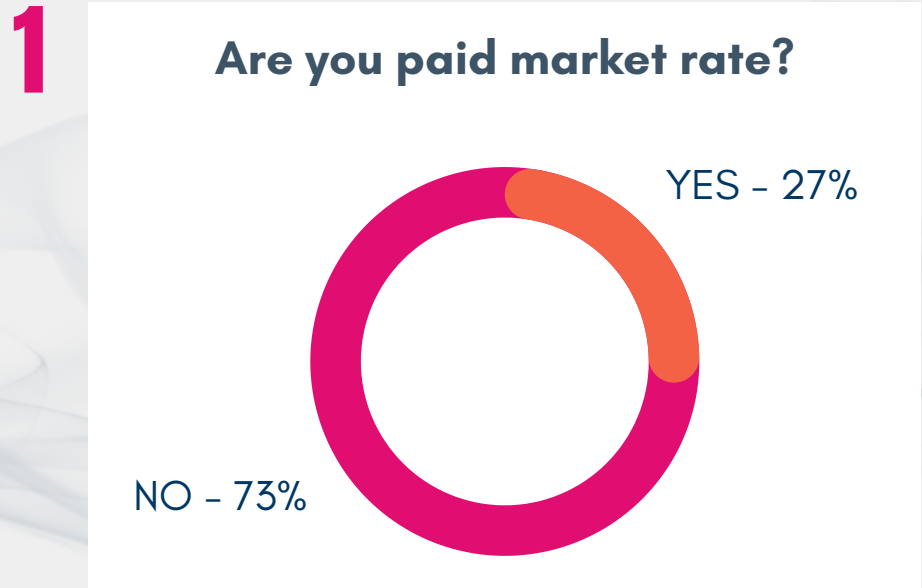
5 STRONG MARKET FORECAST

Demand for actuarial professionals remains robust. A strong post-Covid economy, increasing demand for natural perils cover, and innovation labs delivering new insurance products means more work for Actuaries. Over half of the team leaders surveyed are looking to expand their team size in the year ahead.

6 STUDY SUPPORT

Many firms offer financial study support, paying for exam fees and/or offering paid time off to study and sit exams. Candidates are keen to achieve their AIAA/FIAA accreditations as quickly as possible; given the fierce competition we have seen for candidates with 2-4 years of experience, novel ways of providing support could make the difference in attracting top talent to an organisation.

SUMMARY - MOTIVATIONS



- 4** What motivates you outside of Rem?
- 32%** Compressed work week
 - 29%** Work from anywhere
 - 20%** Additional paid leave
 - 9%** Expanded health benefits

SALARIES - OVERVIEW

	BASE SALARY (Median)	BONUS POTENTIAL	BONUS POTENTIAL PAID
Actuarial Analyst (Foundation)	\$60K-\$80K	<10%	0-25%
Actuarial Analyst (Associate)	\$80K-\$100K	<10%	0-25%
Senior Actuarial Analyst	\$100K-\$120K	10-20%	25-50%
Actuary	\$125K-\$150K	10-20%	50-75%
Senior Actuary	\$175K-\$200K	10-20%	75-100%
Actuarial Manager	\$175K-\$200K	10-20%	75-100%
Senior Actuarial Manager	\$200K-\$225K	20-30%	75-100%
Head Of (or higher)	\$225K-\$250K	20-30%	75-100%

Salary excludes superannuation and bonus.

WHAT'S CHANGED IN FY2022 COMPARED TO FY2021?



Time to hire has increased from 25 to 41 days



Increasing demand for Actuaries with data science skills



Applications per job down consistently by 2.3% ([seek.com.au](https://www.seek.com.au))



Vacancy volumes up 25% year-on-year according to [seek.com.au](https://www.seek.com.au)



A growing proportion of organisations are committing to long-term remote work options



Professionals with multiple product skillsets carry a premium

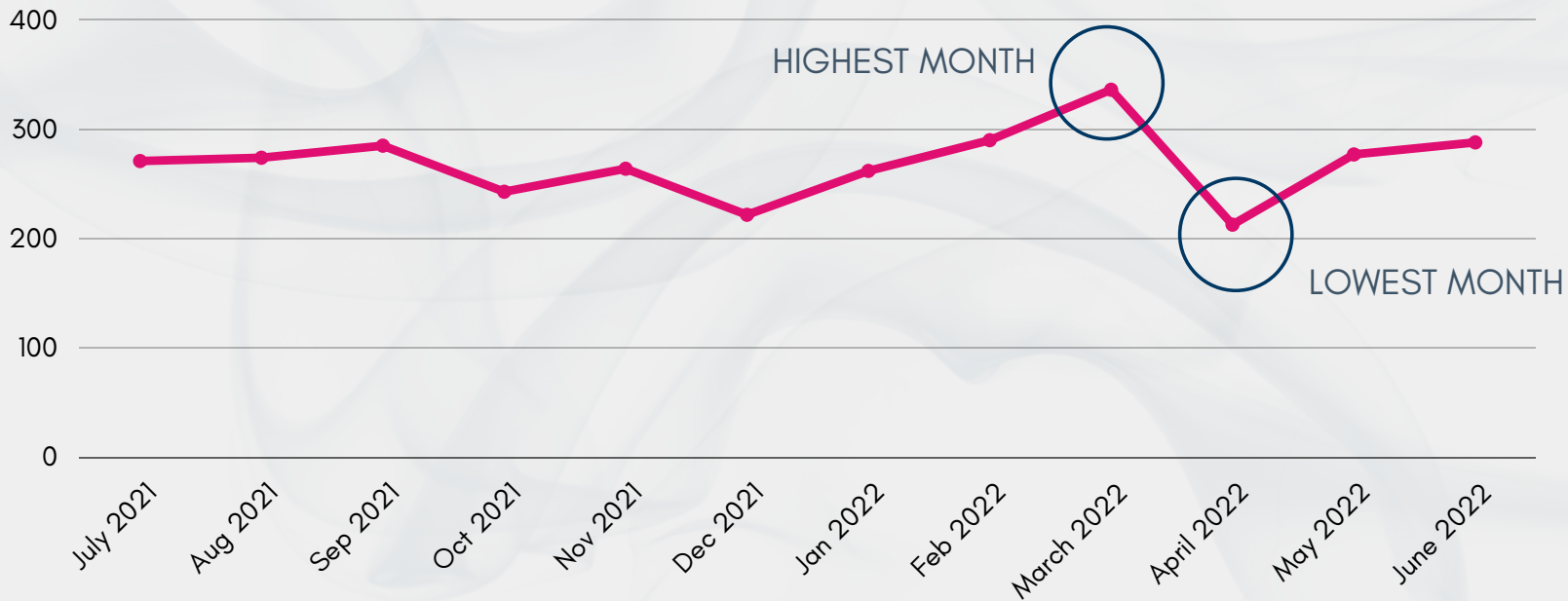


According to [webrover.com](https://www.webrover.com), over 3,000 actuarial roles advertised (outside of agency)

FY2022 ADVERTISING VOLUMES

([WEBROVER.COM](https://www.webrover.com))

According to [webrover.com](https://www.webrover.com), FY2022 saw organisations advertise 3,175 actuarial roles across 805 different organisations. This does not include any advertising by recruitment agencies. We predict the actual numbers to be closer to 5,000 given internal moves, roles which did not get advertised and recruitment agency contributions.



Organisations with the highest advertised vacancies...



FUTURE OF ACTUARIAL & PRICING



A Changing World

The three biggest influences currently shaping the future of actuarial work are:

- **Data & technology** - between 2010 and 2020, data has increased approx. 50X
- **Demographics** - according to the [2021 ABS Census](#), the largest customer cohort is now Millennials
- **Climate** - the regular occurrence of "once-in-a-century" natural disasters



Big Data

As the amount of information collected and available to be analysed increases exponentially, the importance of big data techniques will continue to grow as well. We are already experiencing a desire from Actuarial Team Leaders to incorporate more data science skills into their teams, with a focus on machine learning and artificial intelligence.



InsureTech

Many larger insurance companies have opened their own incubator labs where technological innovation meets the traditional insurance organisation. Changing demographics are driving the need for non-traditional PAYG and monthly auto insurance products, as well as for more insurance products for SMEs and greater interest in dealing with non-traditional insurers.



Climate Modelling

The main driver of growth in the Australian GI space is demand for insurance against natural disasters. The increasing occurrence of bushfires and floods shows how changes in climate are having a massive impact on the insurance industry. As a result, there is a growing interest in Actuaries who can apply their skills in the realm of climate and environment.



The Limits of Artificial Intelligence (AI)

Advances in data science such as machine learning and AI can be used by the actuarial community to improve prediction models, with the caveat that these predictions are limited by laws designed to protect consumers and prevent discrimination based on personal characteristics. Actuaries with the commercial know-how to understand the limitations and proper utilisation of the data will be in high demand.

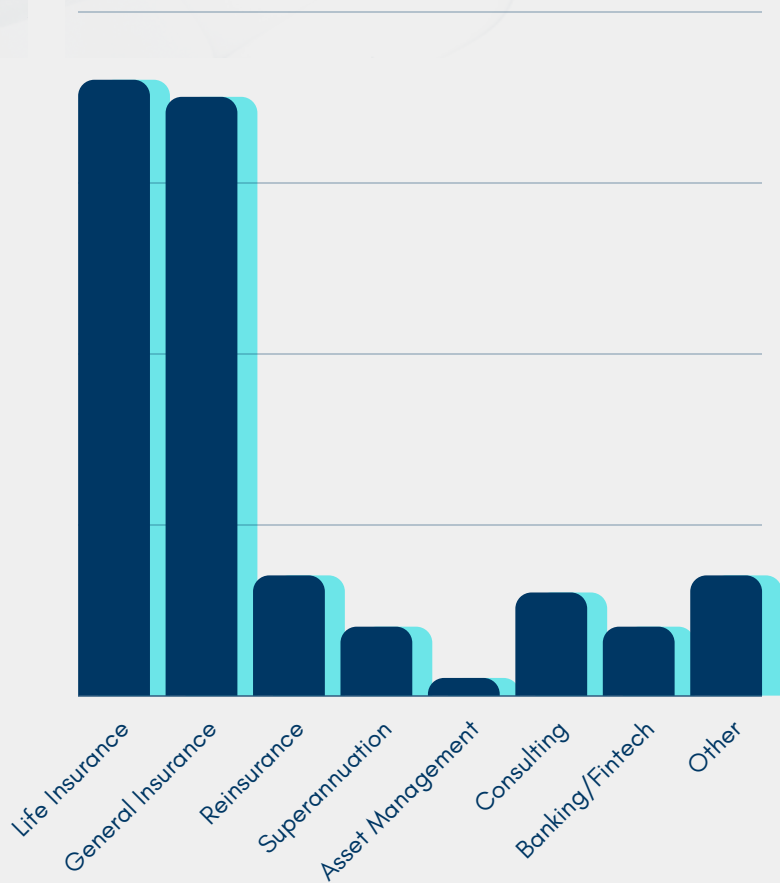


The Rise of the Millennials

Highly-educated and digitally savvy, they expect dealings with insurers to be quick and efficient, with simplified digital claims and renewal processes. Rising use of smart devices collect increased amounts of information from people, vehicles, and property. The limits of using this data will be constrained to the point where costs of additional extraction are balanced by the benefits, requiring new actuarial modelling techniques.

THE PARTICIPANTS

Industry



Other industries include: Health Insurance, Technology, Platform, and Education

Gender



71% male

28% female

1% other/ rather not say

Qualification Level



Fellow
36%



Associate
24%



Foundation
40%

A MESSAGE FROM YOUR TEAM MEMBERS

Dear Leader,

I want to start by saying thank you for being so flexible with my work arrangements during the pandemic and I am delighted to see you are flexible about how and when I return to the office. I am hoping this will continue into FY2023 and beyond...

The external environment has made me reassess my work and personal circumstances. My needs have changed and I expect they will continue to evolve. What has motivated me up until now no longer drives me, however I am still trying to land on the new "work me" and what that looks like. I am getting approached frequently by recruiters, however I am keen to stay loyal to you and the organisation. That said, we do need to talk about some things and ensure that we are working together in all of our best interests.

- **Learning & Development** - can we discuss a pathway for completing my Fellowship qualifications?
- **Compressed work week** - this is either a 4-day work week or 9-day fortnight (without financial reduction)
- **Non-financial benefits** - keen to discuss a tailored non-financial benefit package which places emphasis on my specific needs.

Best regards,

Your loyal team member

A MESSAGE FROM YOUR LEADER

Dear Team Member,

The last few years have been tricky to navigate and I thank you for your loyalty and the trust you have placed in me and the organisation.

We understand your needs have changed and are committed to adapting your work environment and role to suit these. That said, the needs of the organisation and your role have remained quite stable, therefore we need to strike a balance. While we do not want to lose you, we also recognise that role/person fit does not stay the same and evolves over time. In order to work together long-term, I would like to discuss the following:

- **Learning & Development** - As a leader and an organisation we are committed to supporting you as you complete your Fellowship training. Please provide a business case on how we can best improve our study support practices.
- **Targets, OKRs and KPIs** - How do you see a compressed work week affecting these? Please provide examples and evidence for how this will not adversely effect the business.
- **Non-Financial Benefits** - What are your specific needs? And do share how you feel I can best address this for you and the wider team.

Best regards,
Your caring Leader

PARTNERS

We are pleased to partner with a variety of incredible organisations to help support our community. We work with these partners because of our mutual trust, respect and high standard of work.



GET IN TOUCH



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PARITY'S RECRUITMENT SOLUTIONS



100s of Unique Contributions

In compiling our first annual Actuarial & Pricing Salary Guide we relied on direct responses to our survey, as well as our extensive network of professional clients and candidates we speak to throughout the year. Parity Consulting is proud to share the results and insights with our community. This Salary Guide is one of many initiatives we complete each year to add value to our candidates and clients.

10% Investment

We don't just have an outstanding reputation for matching great talent with the best companies, we're also proud to invest 10% of our profits annually into industry training and events through Parity *Plus*, a recruitment industry first in Australia!

Diversity, Equity, Inclusion & Belonging

Here at Parity, we celebrate the power of our people and celebrate difference with pride. We know this makes us stronger, together. We are committed to cultivating individuality of all, irrespective of beliefs, abilities, identity and expression, background or life experiences.

We champion diversity and inclusion and are committed to always learning and seeking to understand. We work closely with our partners to ensure equal opportunities and respectfully advocate for our people's unique needs to access inclusive environments to succeed and thrive as their authentic selves.

We recognise the First Nations People as the Traditional Custodians of this land and celebrate their connection and love for the country.

Ending Modern Slavery

Parity Consulting and its team members seek to do business with suppliers that have similar values, ethics and sustainable business practices, including those related to human rights. Parity does not tolerate slavery, human trafficking, forced or child labour or child exploitation, or any other form of slavery.

Disclaimer

Our Salary Guide is part of our Parity *Plus* initiative and whilst every consideration is taken in the collection and compilation of data, the guide is interpretive and indicative - not conclusive. Therefore, the information contained in this document should be used as a guideline only and should not be reproduced in total or in part without the express written consent from Parity Consulting.