Produced by:
Benchmarking
DATA & RESEARCH

THE CRUNCH
2026
THE ANNUAL ACCOUNTING FIRM BENCHMARK REPORT

Business Benchmarking & Industry Insights for Australian Accounting Firms



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Foreword

The shift we all saw coming is here.

This is the third year of The Crunch, and the data has moved from pointing toward change to confirming it. What once read as early signals now shows up as a consistent, compounding pattern across pricing, team structure, service mix, and client selection.

What has moved most noticeably this year is pricing. Productivity has remained stable across the cohort for three years running, but hourly rates have climbed and pricing discipline has emerged as the real differentiator. The top performers have shifted focus from hours billed to what each hour actually returns, and they protect that return all the way through to the invoice.

For the first time in this report's history, the top cohort recorded a write-on at invoicing, recovering more than they originally quoted. That pattern has been building for three years and has now crossed the line. It reflects something meaningful about how these firms engage with clients: they know the work, they price it clearly, and they hold the position.

Traditional compliance and tax continues to make up roughly two-thirds of revenue across the profession, and that is unlikely to change. What is shifting is what sits in the remaining third. The top performers are reshaping that portion into genuine value. Others are filling it with more work without the returns to match.

This year we welcomed four new voices to the report: Matt Feehan of Three Rivers Group, Trent McLaren of Vinyl, Amanda Gascoigne of The Balanced Firm, and Rebecca Mihalic FCA of Ignition. Their perspectives are woven throughout, and they bring something the data alone cannot: the experience of living through this shift in practice.

Your benchmarks show where your firm sits relative to peers. The interpretation is yours. This year we have also included a personalised SWOT analysis, so you can clearly see where the data identifies your biggest growth opportunities.

As always, a genuine thank you to every firm that contributed their data this year. This report only exists because you do, and we don't take that lightly.

Julia Thomson and Mark Holton OAM



Julia Thomson
Editor, The Crunch
The Benchmarking Group



Mark Holton OAM
Co-Editor & Contributor, The Crunch
Mark Holton Consulting

Special **Thanks**

We sincerely thank our expert contributors for generously sharing their insights and time to help bring this year's Crunch report together. A special thank you to our co-editor Mark Holton OAM, who has been working with us since the report's inception. Their expertise, combined with our own data and research and your individual firm data, makes for a truly well-rounded report. We believe The Crunch provides a genuine perspective on the Australian accounting SME landscape and hope the insights prove valuable for your firm.

Expert **Contributors**



Mark Holton OAM

Co-Editor | Mark Holton Consulting

Mark Holton OAM has more than 40 years of experience as an accountant and tax agent and holds an Order of Australia Medal in recognition of his contribution to the profession. His specialties span taxation, business advisory, and structured advisory systems, and he is known for making complex topics engaging and accessible. Now in his third year as a Crunch contributor, Mark brings both depth and perspective to the findings.



Amanda Gascoigne FCA, GAICD

The Balanced Firm

Amanda Gascoigne FCA, GAICD is a Chartered Accountant, business coach, and founder of The Balanced Firm community, supporting Australian and New Zealand small and solo practice owners to build profitable, sustainable firms without sacrificing their wellbeing. With 30+ years in the profession and 18 years as a practice owner, Amanda is known for practical strategies that improve pricing confidence, strengthen boundaries, streamline workflow, and create real capacity. Her work helps accountants build a better practice and a better life. Amanda also serves as a Member of the Tax Practitioners Board and is Co-Chair of the ATO GST Stewardship Group.



Matt Feehan

Three Rivers Group | Prophet Gap

Matt is the Managing Director at Three Rivers Group and CEO at Prophet Gap. For Matt, strong relationships are the bedrock of good business and great outcomes and his passion for transforming "the numbers" into meaningful insights has continued to make him a trusted advisor to his clients and their families. Understanding the client, their goals and pain points is the most critical part of being a good accountant.



Rebecca Mihalic FCA

Ignition | businessDEPOT

Rebecca Mihalic is a multi-award winning Fellow Chartered Accountant (FCA) and has been working in public practice since 2003. She has been with Ignition as the Head of Accounting (APAC) since 2019, while also heading up the Sydney accounting operations of businessDEPOT, which was named 'Multiservice Firm of the Year' at the Australian Accounting Awards in 2022. Rebecca has earned a reputation for her leadership, passion and commitment to the accounting industry.



Trent McLaren

Vinyl | Journey | The Firm

Trent McLaren is the co-founder of Vinyl, an AI meeting companion built for accountants and bookkeepers, and a recognised authority in accounting technology with more than 12 years' experience. He has partnered with fintech leaders, including Ignition, Weel, Intuit QuickBooks and TOA Global, guiding their go-to-market strategies and communities. Trent also runs Journey, a growth consultancy and media studio for accounting-focused SaaS firms, and co-founded The Firm, a peer-led platform that shares practical insights through podcasts, blogs and events. His mission is simple: helping accountants work smarter and build stronger client relationships.

Executive **Summary** Sample Firm

The Four Key Metrics For 2026

Four metrics capture where your firm stands against the 2026 cohort.

Net Profit (ANPS)	Hourly Rate Before Write-offs	Write-ons / Write-offs	Revenue per Fee Earner
#####	#####	#####	#####
COHORT MED ###%	COHORT MED $###	COHORT MED ##%	COHORT MED $###,###
TOP 25% ###%	TOP 25% $###	TOP 25% ##%	TOP 25% $###,###

Summary

Your firm's executive summary analysis will be displayed here. This section provides a high-level overview of your firm's performance across the key financial and operational metrics included in the Crunch 2026 benchmark report.

Your Performance Scores

About These Scores

Five performance areas reveal where your firm's results sit relative to the 2026 cohort.

Financial Performance



ON PAR

Your firm's result analysis will be displayed here.

Employee Productivity



ON PAR

Your firm's result analysis will be displayed here.

Pricing Strategies & Returns



ON PAR

Your firm's result analysis will be displayed here.

Expenses & Operations



ON PAR

Your firm's result analysis will be displayed here.

Principals Position



ON PAR

Your firm's result analysis will be displayed here.

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What The Top 25% Do Differently

From Write-Off to Write-On

Output Over Hours

The 33% That Counts

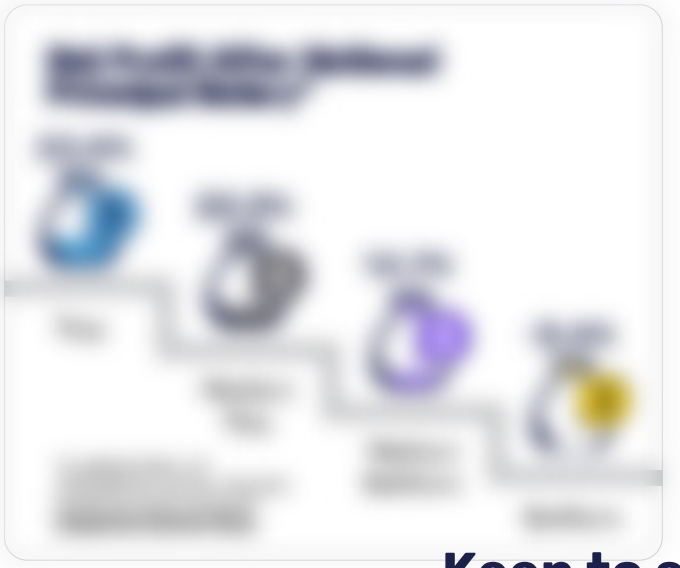
Structured for Profits

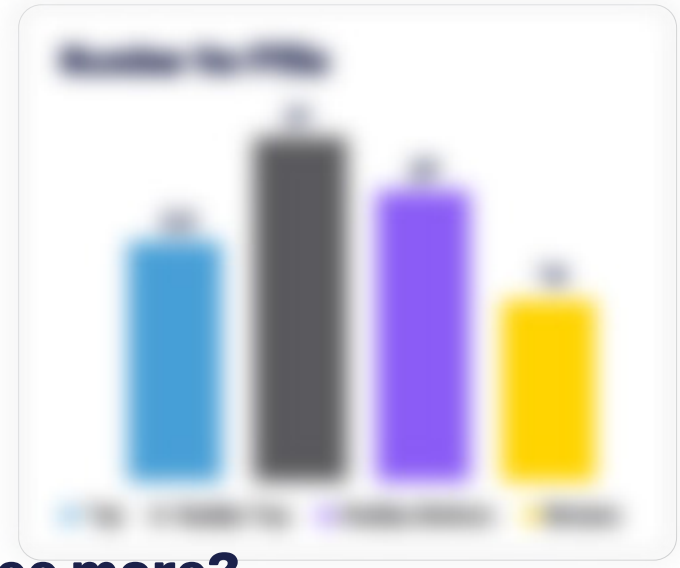
Saying Yes To The Right Clients

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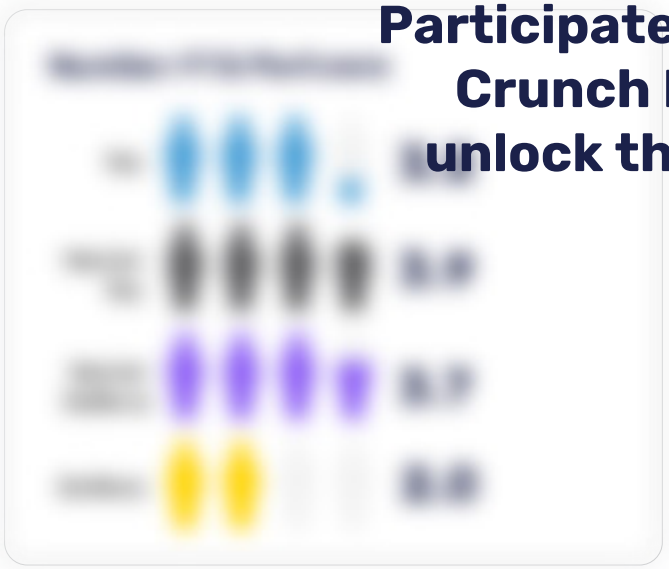
What the **Top 25% Do Differently**

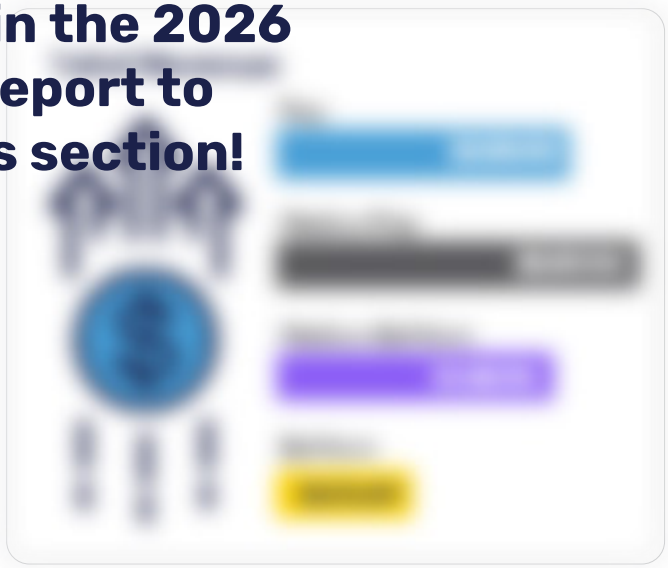
The Crunch cohort is divided into four quartiles each year, with performance measured consistently by net profit after notional partners' salaries. Applying a standard salary to all equity partners removes the distortion of variable drawings, leaving net profit margin as the clean benchmark. On that measure, the top quartile returned 33.4% this year. The bottom returned -0.4%.



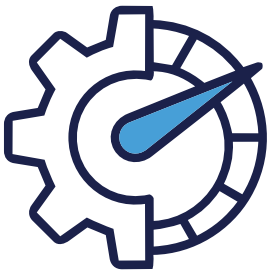


Keen to see more? Participate in the 2026 Crunch Report to unlock this section!





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Your Business Performance

Financial Performance
Employee Productivity & Partner Performance
Pricing Strategies & Returns
Expenses & Operations
Partners Position
Benchmarking Tables
SWOT Analysis

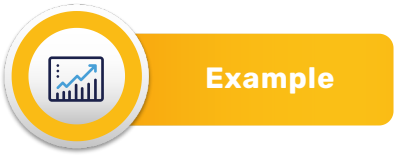
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Your Business **Performance**

The following section compares your business with peers using key industry performance indicators (KPIs). It highlights how your results stack up against others in the sector, helping you spot strengths, gaps, and opportunities for growth.

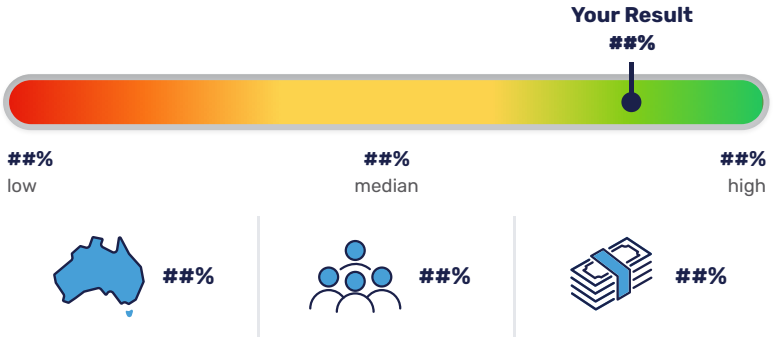
Analysing Your Result

1 Your Section Result



These results show how your firm performs in each category compared to other participating accounting firms. Scores are calculated using weighted KPIs within each area, giving you a clear snapshot of how your firm ranks among peers.

2 Your Benchmark KPI Result



Your Benchmark KPI Result shows how your firm compares with others in the cohort.

The graph reflects your result relative to all participating firms. A blue bar indicates a neutral KPI, meaning your performance is neither above or below the median benchmark.

The three icons show the average results for firms in your Location, FTE Bracket, and Revenue Bracket.

To explore all brackets in more detail, refer to the full benchmarking tables.

LOCATION

YOUR LOCATION
####

LOCATION COMPARISON
####

TOTAL FTE BRACKET

YOUR TOTAL FTE
####

FTE BRACKET
####

REVENUE BRACKET

YOUR REVENUE
####

REVENUE BRACKET
####

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Your **Results Summary**

The summary below gives an overview of your firm's performance scores across five key areas. These scores are based on comparative analysis with other firms in the Crunch 2026 cohort.

In the next section on KPI Benchmarks, you'll see the average scores for firms with a similar full-time equivalent (FTE) group, revenue range, and region. Reviewing these alongside your overall results can help you build a more complete picture of your firm's performance.



Financial Performance

This section covers your firm's results across revenue generation, profit margins, and partner returns. Results are compared against similar firms in the 2026 Crunch cohort.



Employee Productivity

This section covers how effectively your team and partners convert available capacity into billed work. Key measures include productivity rates, salary ratios, and leverage structure.



Pricing Strategies & Returns

This section covers client fee levels, hourly rates, advisory revenue mix, and write-off rates. Results are benchmarked against firms with a similar profile.



Expenses & Operations

This section reviews your firm's operating cost structure, cash conversion efficiency, and premises costs. Measures include lock-up days, expense ratios, and key overheads.



Principals Position

This section covers partner equity levels, write-off rates, and principal returns. Results are compared against similar firms in the 2026 Crunch cohort.

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Financial **Benchmarks**

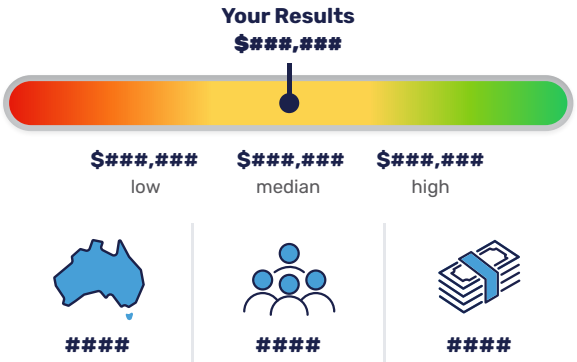
The results below compare your firm's performance against similar firms in the Crunch 2026 cohort. Revenue per FTE and Revenue per Fee Earner are the two primary measures of income generation efficiency, reflecting how effectively your workforce converts capacity into billable income.



Revenue Analysis

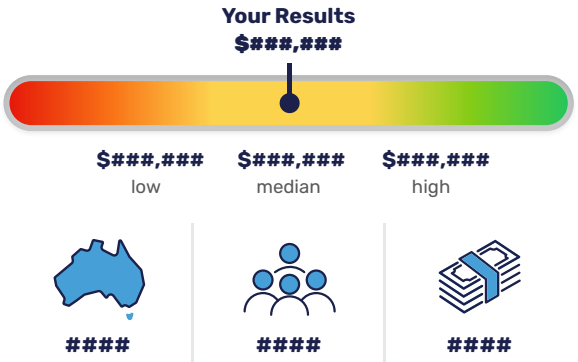
Revenue Analysis compares your firm's income generation against similar firms, using revenue per full-time equivalent and revenue per fee earner as the key measures. Higher values generally reflect stronger billing rates, a greater proportion of fee earners, or higher overall productivity.

Revenue per FTE



Your firm's result analysis will be displayed here.

Revenue per Fee Earner



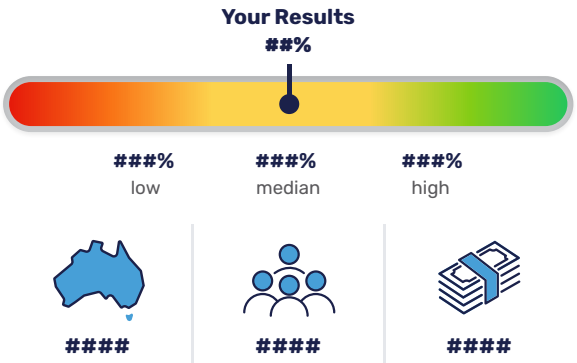
Your firm's result analysis will be displayed here.

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Profit Margins

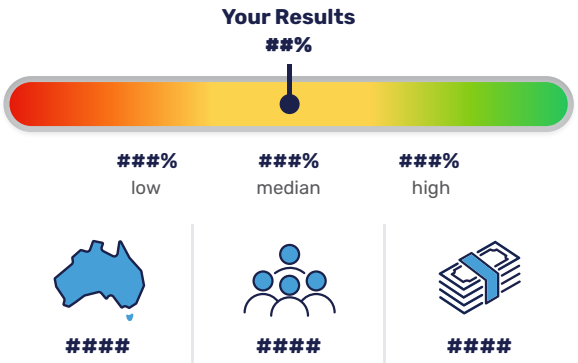
Profit margins reveal how efficiently revenue converts to owner returns across gross and net measures.

Gross Profit Margin (BPS)



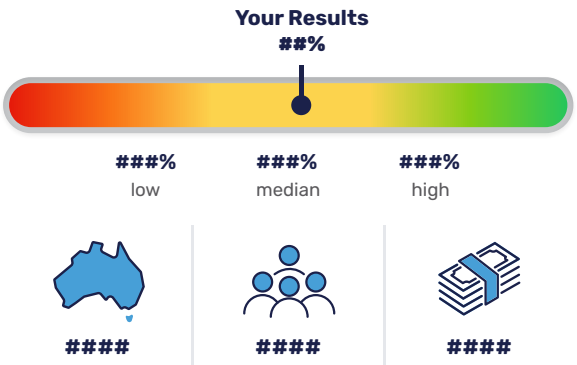
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Net Profit Margin (BPS)



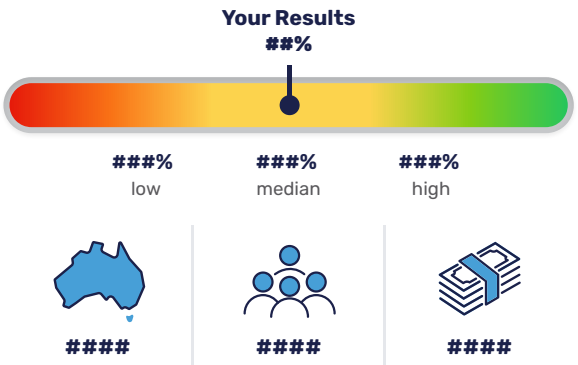
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Net Profit (APS)



Your firm's result analysis will be displayed here.

Net Profit (ANPS)



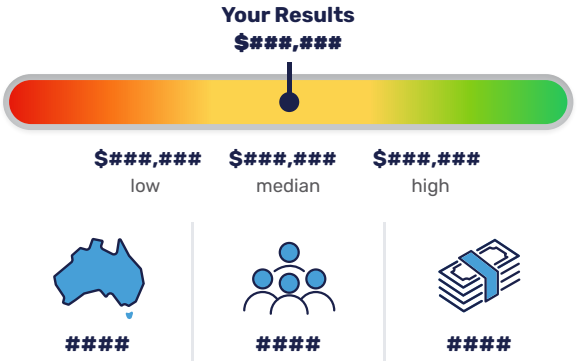
Your firm's result analysis will be displayed here.

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Partner Impact – Financial Performance

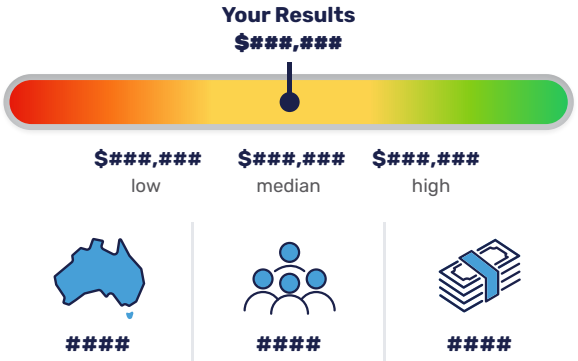
Partner-level financials show how revenue and profit translate into returns for each equity principal.

Revenue per Equity Partner



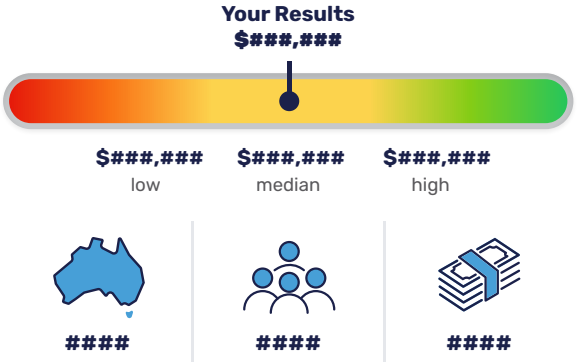
Your firm's result analysis will be displayed here.

Gross Profit per Partner



Your firm's result analysis will be displayed here.

Net Profit per Equity Partner (BPS)



Your firm's result analysis will be displayed here.

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Employee Productivity and **Partner Performance**

Salary costs and productivity combine to show how efficiently the team converts time into output.



Salaries as a % of Revenue

Your Results
##%



###%	###%	###%
low	median	high



####	####	####

Your firm's result analysis will be displayed here.

Net Profit per FTE (BPS)

Your Results
$##,###



$###,###	$###,###	$###,###
low	median	high



####	####	####

Your firm's result analysis will be displayed here.

Productivity – All FTEs

Your Results
##%



###%	###%	###%
low	median	high



####	####	####

Your firm's result analysis will be displayed here.

Fee Earner Ratio

Your Results
#.#



##	##	##
low	median	high



####	####	####

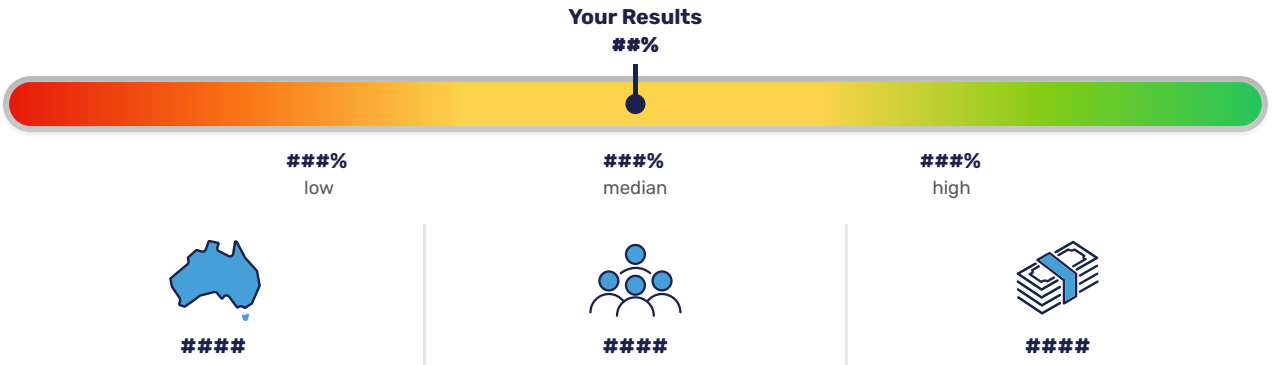
Your firm's result analysis will be displayed here.

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Employee Productivity and Partner Performance

Fee earner productivity and partner billing patterns reveal how capacity is distributed across the firm.

Productivity – Fee Earners Only

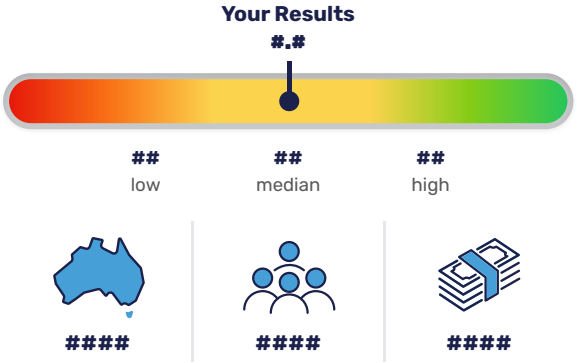


Your firm's result analysis will be displayed here.

Partner Impact – Productivity

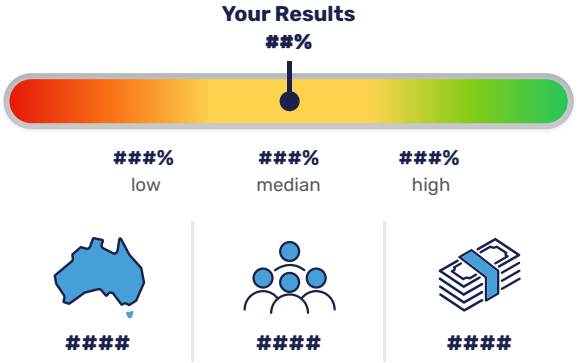
This section examines how productively partners are working within the firm, including the staff leverage ratio and partner productivity rate. Results are benchmarked against similar firms to assess how effectively principal capacity is being utilised.

Staff Leverage Ratio



Your firm's result analysis will be displayed here.

Partner Productivity



Your firm's result analysis will be displayed here.

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Pricing Strategies and **Returns**

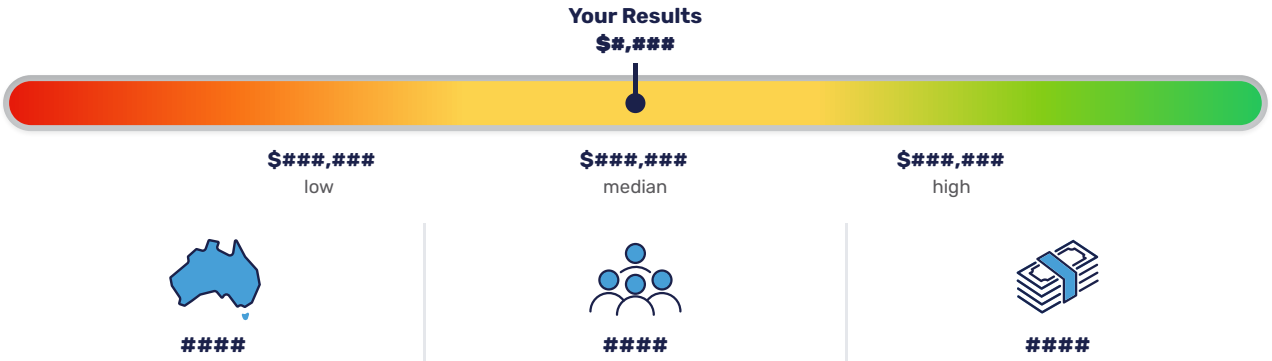
Client fees and advisory revenue mix show how pricing structure shapes overall practice returns.



Client Fees

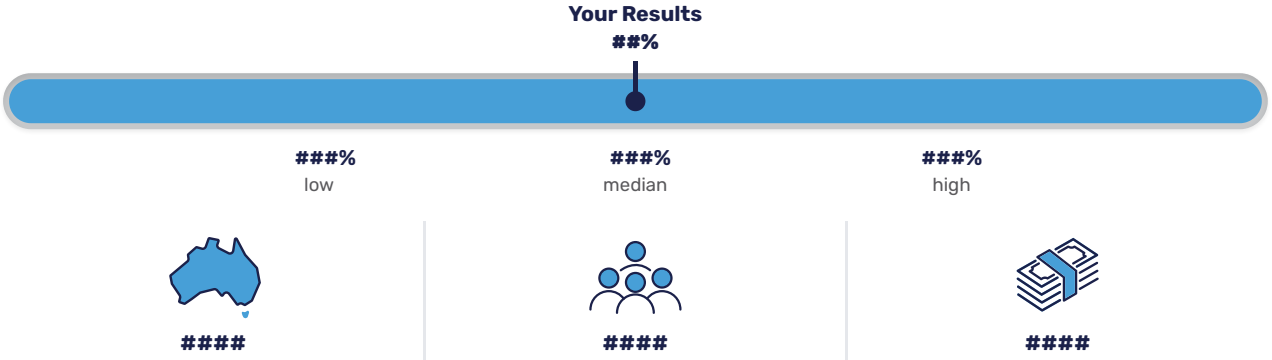
Average annual fees per client reflect the firm's pricing depth and client mix relative to peers in the 2026 cohort.

Average Annual Fees per Client



Your firm's result analysis will be displayed here.

% Revenue from Business Advisory Services



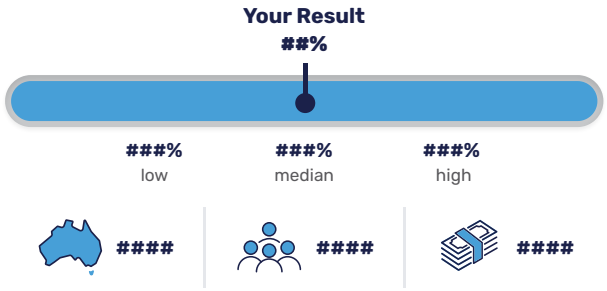
Your firm's result analysis will be displayed here.

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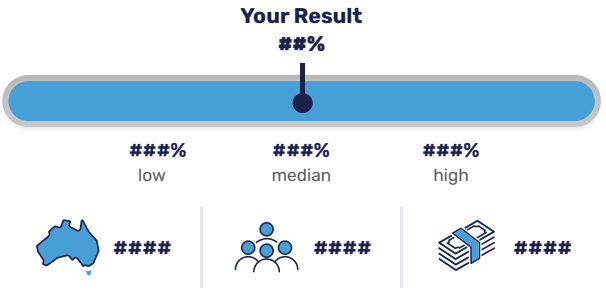
Fees Charged Per Client Annually

The fee distribution across client segments shows where billing volume and revenue concentration sit.

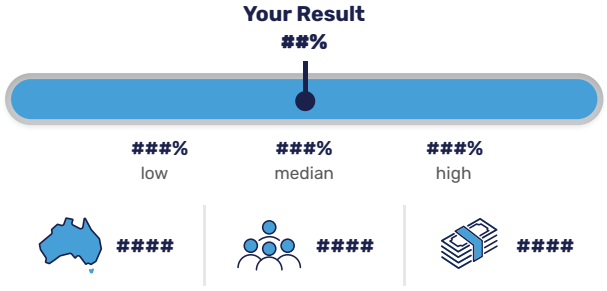
Under $500



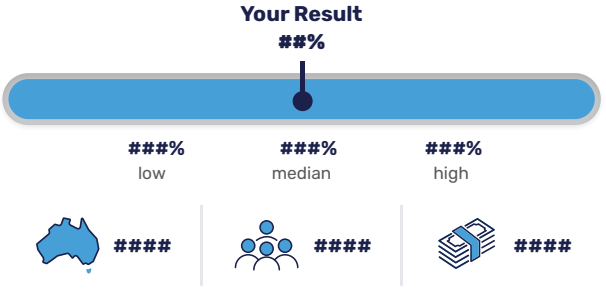
$5,001 – $10,000



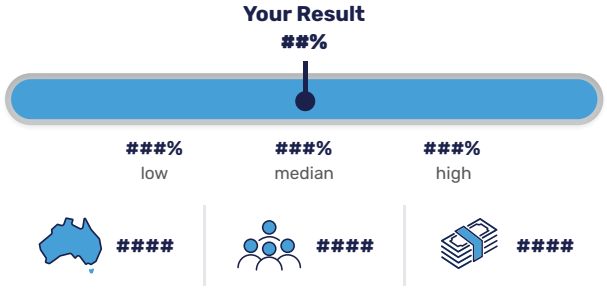
$501 – $1,000



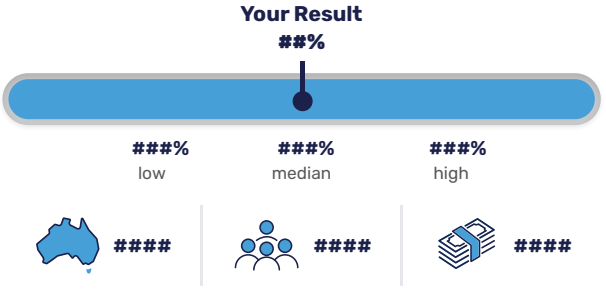
$10,001 – $20,000



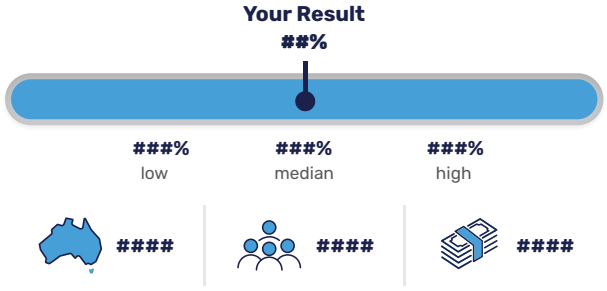
$1,001 – $3,000



$20,000 and over



$3,001 – $5,000

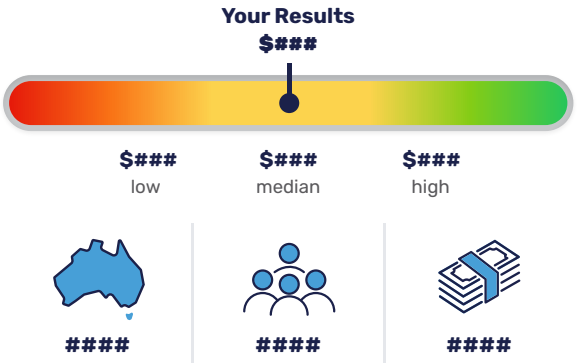


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Hourly Earnings

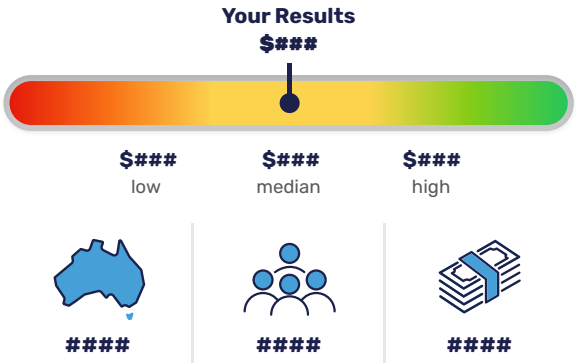
Hourly rates before and after write-offs capture the gap between quoted and realised pricing.

Hourly Rate Before Write-Offs



Your firm's result analysis will be displayed here.

Hourly Rate After Write-Offs



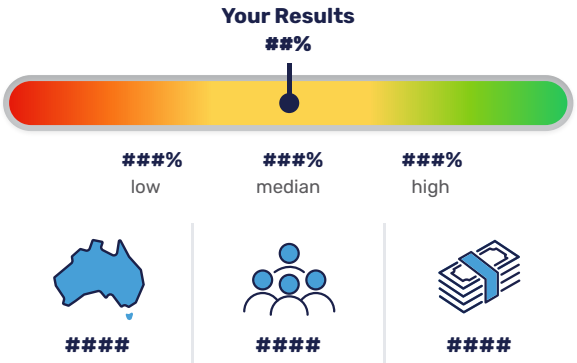
Your firm's result analysis will be displayed here.

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Partner Impact – Clients and Pricing

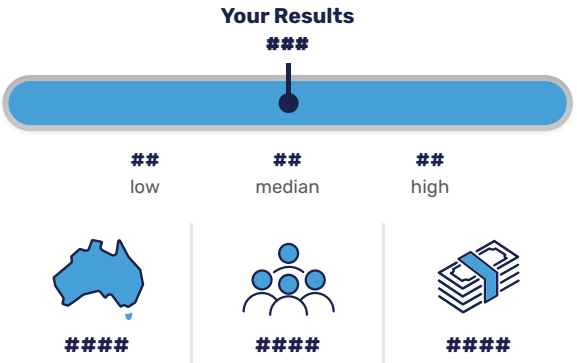
Client growth and per-partner client loads sit alongside write-off patterns to frame pricing outcomes.

Client Growth Rate



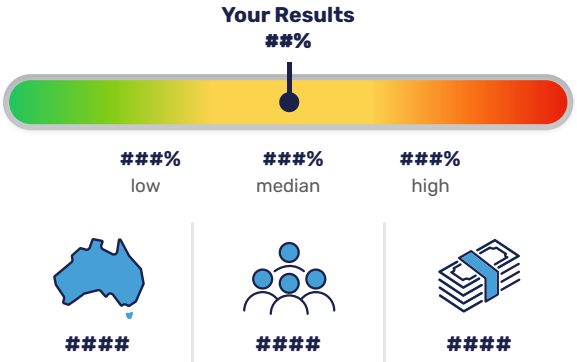
Your firm's result analysis will be displayed here.

Clients per Equity Partner



Your firm's result analysis will be displayed here.

Net Write-Offs Rate



Your firm's result analysis will be displayed here.

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Expenses and **Operations**

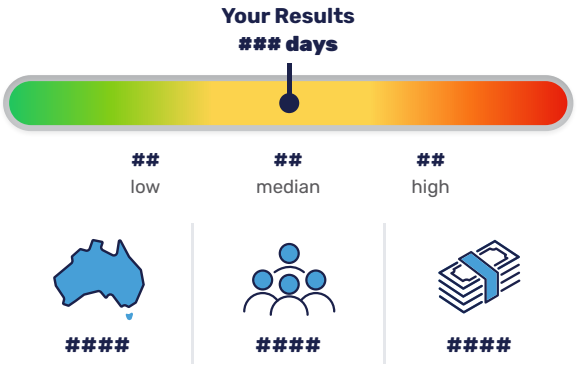
Lock-up, debtor, and WIP days show how efficiently the firm converts completed work into cash.



Operations Management

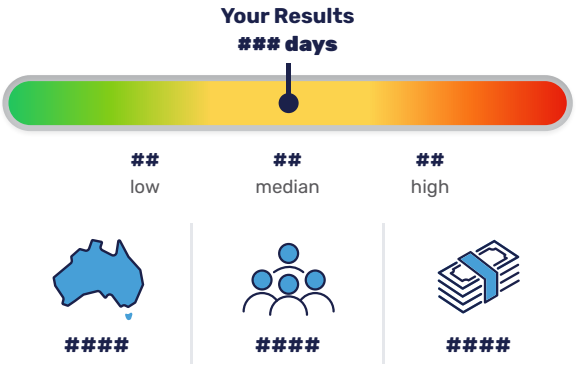
Operations management captures the efficiency of work-in-progress conversion and debtor collection relative to cohort norms.

Lock-Up Days



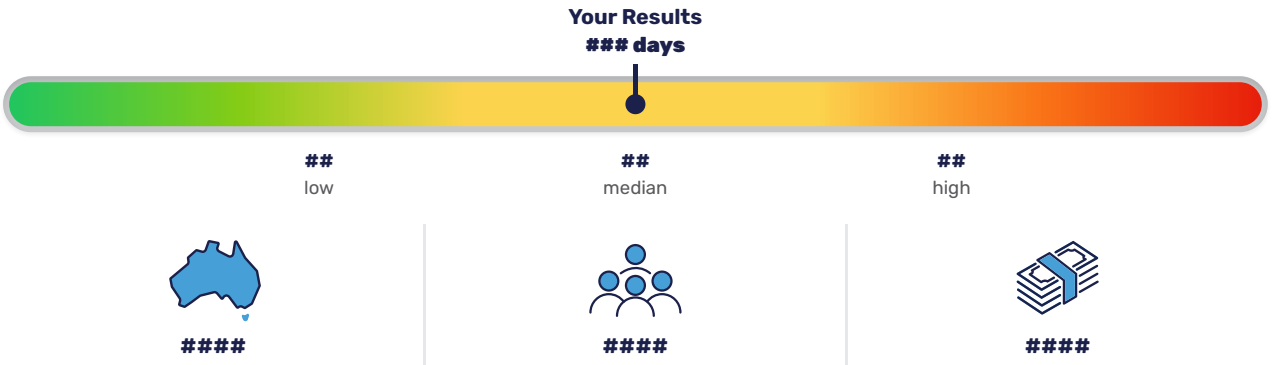
Your firm's result analysis will be displayed here.

Debtor Days



Your firm's result analysis will be displayed here.

Work in Progress (WIP) Days



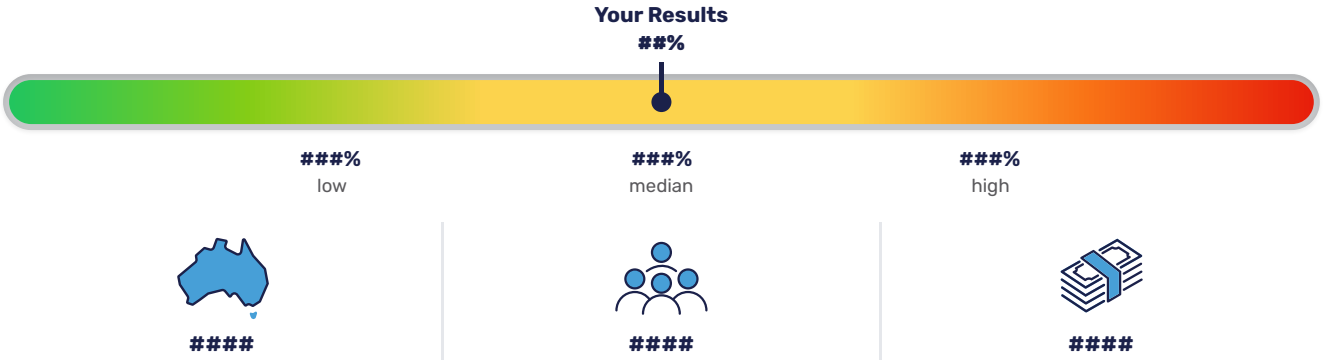
Your firm's result analysis will be displayed here.

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Operating Expenses

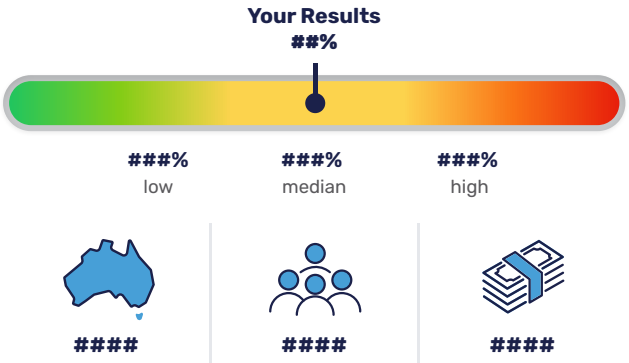
Total expenses and personnel costs as a share of revenue frame the overall cost structure.

Total Expenses as a % of Revenue



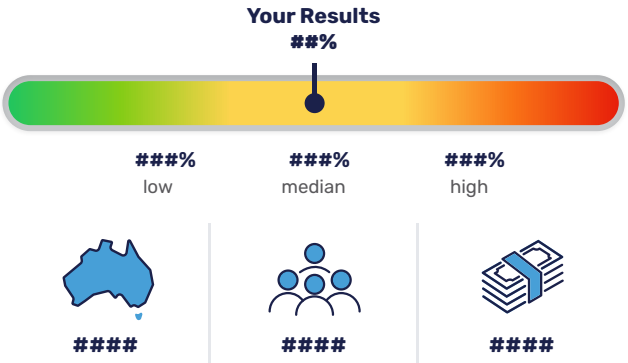
Your firm's result analysis will be displayed here.

Personnel Costs



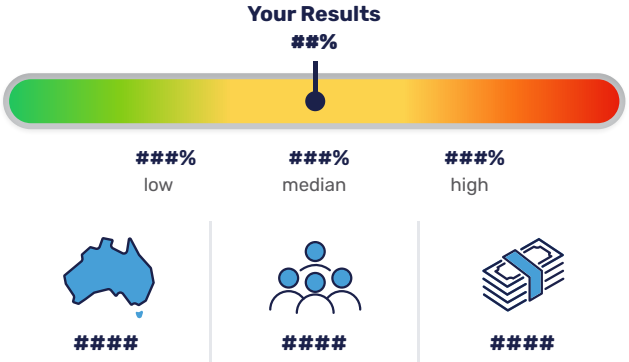
Your firm's result analysis will be displayed here.

Specific Financial Planning



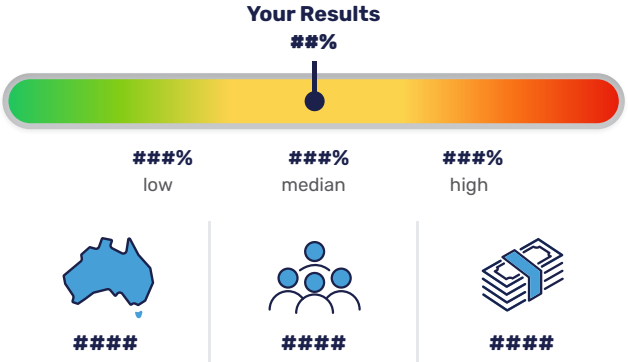
Your firm's result analysis will be displayed here.

Occupancy Costs



Your firm's result analysis will be displayed here.

Information Technology



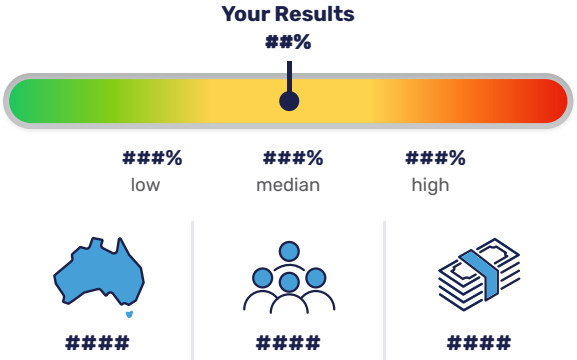
Your firm's result analysis will be displayed here.

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Smaller expense categories round out the operating cost profile across financial, insurance, and other items.

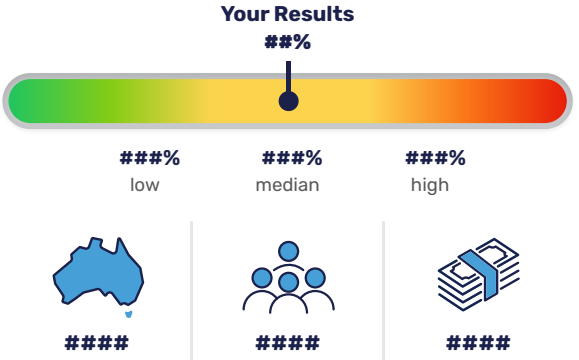
Operating Expenses (continued)

Financial Costs



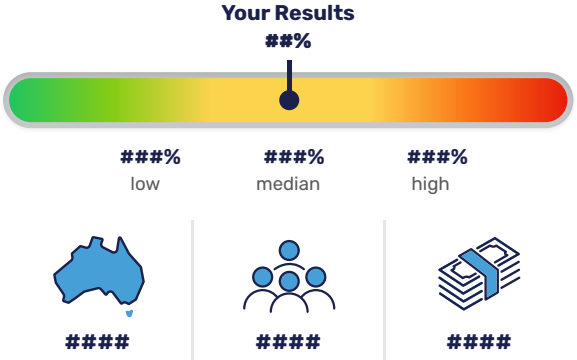
Your firm's result analysis will be displayed here.

Insurance



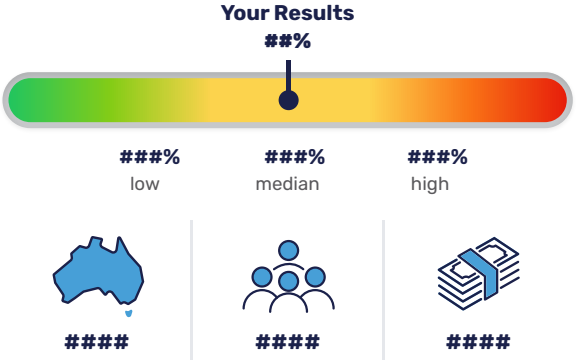
Your firm's result analysis will be displayed here.

Vehicles and Equipment



Your firm's result analysis will be displayed here.

Miscellaneous Expenses



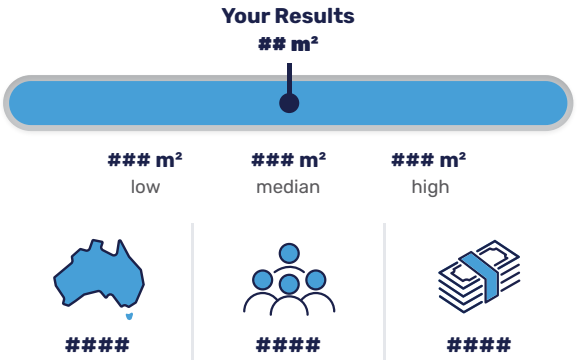
Your firm's result analysis will be displayed here.

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Premises Management

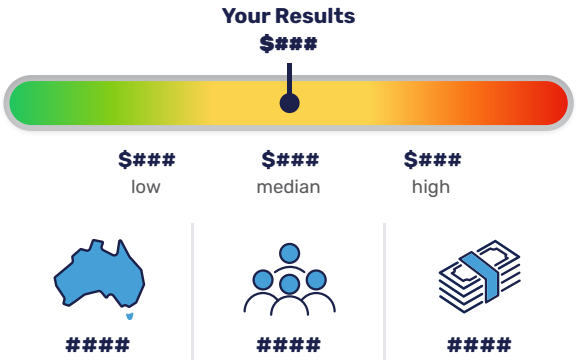
Premises metrics capture space usage and occupancy cost relative to the broader group.

Floor Area per Person



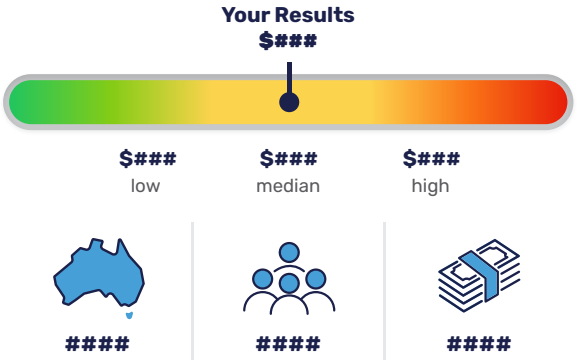
Your firm's result analysis will be displayed here.

Rent per Square Metre



Your firm's result analysis will be displayed here.

Heat, Light and Power per Person



Your firm's result analysis will be displayed here.

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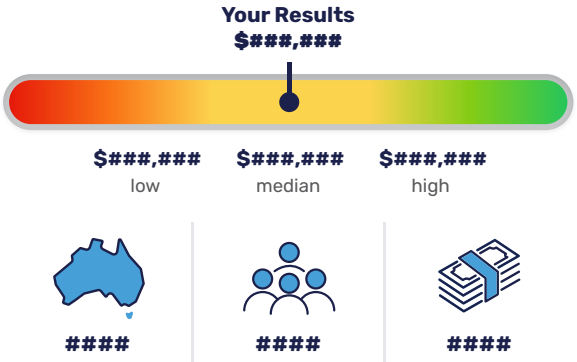
Partner's **Position**

Partner equity and write-off data combine to show the financial position of the principals.



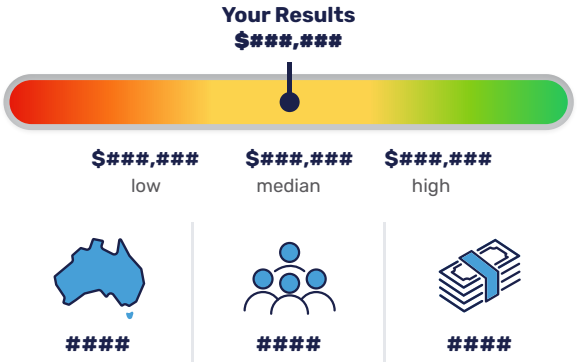
Equity per Equity Partner

Total Equity per Partner



Your firm's result analysis will be displayed here.

Equity Exc. Goodwill per Partner

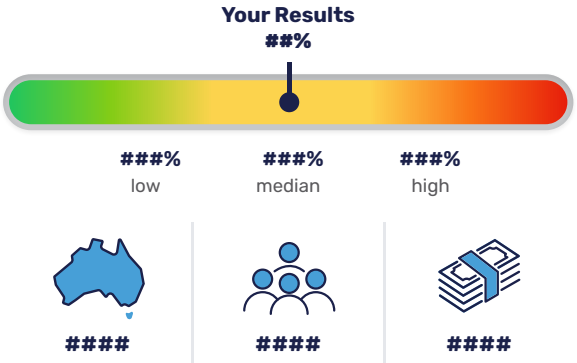


Your firm's result analysis will be displayed here.

Pricing Analysis

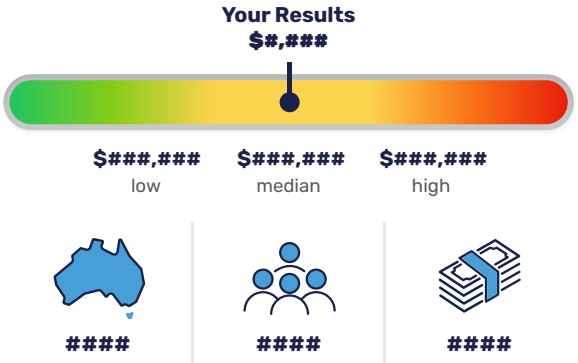
Pricing Analysis evaluates how write-off rates and write-off values per person affect the firm's revenue accuracy and billing discipline. These measures reflect the gap between work billed and work ultimately collected.

Net Write-Offs Rate



Your firm's result analysis will be displayed here.

Net Write-Offs per Person



Your firm's result analysis will be displayed here.

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Benchmark **Tables**

Table of all the benchmarks and your company's performance. Broken down by **Revenue.**

	Your Business	All Average	Less Than $1,300,000	$1,300,000 to $2,999,999	$3,000,000 to $4,999,999	More Than $5,000,000
Revenue						
Total Revenue						
Revenue per Partner						
Revenue per FTE						
Revenue per Chargeable Person						
FTE						
Total FTEs						
Total FTE Partners						
Total Clients						
Gross Profit						
Gross Profit % (BPS)						
Gross Profit per Partner (BPS)						
Net Profit						
Net Profit $ (BPS)						
Net Profit % (BPS)						
Net Profit per Partner (BPS)						
Net Profit per FTE (BPS)						
Net Profit (APS) $						
Net Profit (APS) %						
Net Profit After Notional Principal Salary						
People						
Leverage Structure						
Chargeable / Non Chargeable Ratio						
Salaries as a % of Revenue						
Productivity – all FTEs						
Productivity – Chargeable Only (excl Equity Partners)						
Productivity – Equity Partners						
Total Non-Salary Overheads						
Onshore Team Structure						
Accounting Managers (Team Managers)						
Accountants > 2 years experience (Non-Manager)						
Accountants < 2 years experience (Non-Manager)						
Specialists (e.g. Brokers, Financial Planners, Paraplanners)						
Bookkeepers						
Administrative and Support Staff (e.g. Marketing, HR, Front Office, IT)						
Use of Offshore Staff						
Accountants						
Offshore Bookkeepers						
Support Staff incl. Non-Accountant Roles						
Clients						
Clients per Equity Partner						
Average Fee per Client						
Client Retention Rate						
Client Growth						
under $500						
$500 – $1,000						
$1,000 – $3,000						
$3,000 – $5,000						
$5,000 – $10,000						
$10,000 – $20,000						
$20,000+						

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Benchmark **Tables** continued

Table of all the benchmarks and your company's performance. Broken down by **Revenue.**

	Your Business	All Average	Less Than $1,300,000	$1,300,000 to $2,999,999	$3,000,000 to $4,999,999	More Than $5,000,000
Operational Statistics						
Average Hourly Rate – Before Write Offs						
Average Hourly Rate – After Write Offs						
Net Write Offs / Write Ons %						
Work in Progress Days						
Debtor Days						
Lock Up Days						
Expenses as a % of Revenue						
Income as a % Revenue						
Traditional Accounting (Tax and Compliance)						
Tax Planning, Management and Audit						
Other Financial Services						
Bookkeeping						
Business Advisory Services						
Others						
Expense as a % of Revenue						
Personnel						
Specific Financial Planning Costs						
Occupancy						
Information Technology						
Financial						
Insurance						
Vehicles & Equipment						
Miscellaneous						
Net Profit %						
Premises Usage						
Floor Area per Person						
Rent per sq Metre of Premises Area						
Heat/Light/Power Cost per Person						

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Benchmark **Tables**

Table of all the benchmarks and your company's performance. Broken down by **FTE.**

	Your Business	All Average	Less Than 8 FTE	8 to 16 FTE	17 to 27 FTE	More Than 27 FTE
Revenue						
Total Revenue						
Revenue per Partner						
Revenue per FTE						
Revenue per Chargeable Person						
FTE						
Total FTEs						
Total FTE Partners						
Total Clients						
Gross Profit						
Gross Profit % (BPS)						
Gross Profit per Partner (BPS)						
Net Profit						
Net Profit $ (BPS)						
Net Profit % (BPS)						
Net Profit per Partner (BPS)						
Net Profit per FTE (BPS)						
Net Profit (APS) $						
Net Profit (APS) %						
Net Profit After Notional Principal Salary						
People						
Leverage Structure						
Chargeable / Non Chargeable Ratio						
Salaries as a % of Revenue						
Productivity – all FTEs						
Productivity – Chargeable Only (excl Equity Partners)						
Productivity – Equity Partners						
Total Non-Salary Overheads						
Onshore Team Structure						
Accounting Managers (Team Managers)						
Accountants > 2 years experience (Non-Manager)						
Accountants < 2 years experience (Non-Manager)						
Specialists (e.g. Brokers, Financial Planners, Paraplanners)						
Bookkeepers						
Administrative and Support Staff (e.g. Marketing, HR, Front Office, IT)						
Use of Offshore Staff						
Accountants						
Offshore Bookkeepers						
Support Staff incl. Non-Accountant Roles						
Clients						
Clients per Equity Partner						
Average Fee per Client						
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$1,000 – $3,000						
$3,000 – $5,000						
$5,000 – $10,000						
$10,000 – $20,000						
$20,000+						

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Benchmark **Tables** continued

Table of all the benchmarks and your company's performance. Broken down by **FTE.**

	Your Business	All Average	Less Than 8 FTE	8 to 16 FTE	17 to 27 FTE	More Than 27 FTE
Operational Statistics						
Average Hourly Rate – Before Write Offs						
Average Hourly Rate – After Write Offs						
Net Write Offs / Write Ons %						
Work in Progress Days						
Debtor Days						
Lock Up Days						
Expenses as a % of Revenue						
Income as a % Revenue						
Traditional Accounting (Tax and Compliance)						
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Personnel						
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Occupancy						
Information Technology						
Financial						
Insurance						
Vehicles & Equipment						
Miscellaneous						
Net Profit %						
Premises Usage						
Floor Area per Person						
Rent per sq Metre of Premises Area						
Heat/Light/Power Cost per Person						

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Benchmark **Tables**

Table of all the benchmarks and your company's performance. Broken down by **State.**

	Your Business	All Average	QLD	VIC	NSW	Other States
Revenue						
Total Revenue						
Revenue per Partner						
Revenue per FTE						
Revenue per Chargeable Person						
FTE						
Total FTEs						
Total FTE Partners						
Total Clients						
Gross Profit						
Gross Profit % (BPS)						
Gross Profit per Partner (BPS)						
Net Profit						
Net Profit $ (BPS)						
Net Profit % (BPS)						
Net Profit per Partner (BPS)						
Net Profit per FTE (BPS)						
Net Profit (APS) $						
Net Profit (APS) %						
Net Profit After Notional Principal Salary						
People						
Leverage Structure						
Chargeable / Non Chargeable Ratio						
Salaries as a % of Revenue						
Productivity – all FTEs						
Productivity – Chargeable Only (excl Equity Partners)						
Productivity – Equity Partners						
Total Non-Salary Overheads						
Onshore Team Structure						
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Clients per Equity Partner						
Average Fee per Client						
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$1,000 – $3,000						
$3,000 – $5,000						
$5,000 – $10,000						
$10,000 – $20,000						
$20,000+						

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Benchmark **Tables** continued

Table of all the benchmarks and your company's performance. Broken down by **State.**

	Your Business	All Average	QLD	VIC	NSW	Other States
Operational Statistics						
Average Hourly Rate – Before Write Offs						
Average Hourly Rate – After Write Offs						
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Vehicles & Equipment						
Miscellaneous						
Net Profit %						
Premises Usage						
Floor Area per Person						
Rent per sq Metre of Premises Area						
Heat/Light/Power Cost per Person						

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SWOT **Analysis**

Your firm's strategic overview will be displayed here. This section summarises the key findings from the Crunch 2026 analysis across strengths, weaknesses, opportunities, and threats.

STRENGTHS

- **####** Your firm's strength analysis will be displayed here.
- **####** Your firm's strength analysis will be displayed here.
- **####** Your firm's strength analysis will be displayed here.

WEAKNESSES

- **####** Your firm's weakness analysis will be displayed here.
- **####** Your firm's weakness analysis will be displayed here.
- **####** Your firm's weakness analysis will be displayed here.

OPPORTUNITIES

- **####** Your firm's opportunity analysis will be displayed here.
- **####** Your firm's opportunity analysis will be displayed here.
- **####** Your firm's opportunity analysis will be displayed here.

THREATS

- **####** Your firm's threat analysis will be displayed here.
- **####** Your firm's threat analysis will be displayed here.
- **####** Your firm's threat analysis will be displayed here.

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Future Trends

The Talent Gap Becomes the Business Model

Wellbeing as a Strategy

Integration Is the New “AI”

The Compliance Burden Is Growing, and It Is Moving Downstream

Depth Is Becoming the Differentiator

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The Talent Gap **Becomes the Business Model**

The accounting industry's talent shortage is structural. Experienced practitioners are retiring, graduate intakes have been falling, and trained accountants continue to leave for other industries.[1] CPA Australia puts it plainly in its 2025 Integrated Report: a generally declining pool of accounting graduates in Australia, Asia and globally.[2] Enrolments in the Accounting Professional Year Program, a work placement pathway for international accounting graduates, fell from 7,122 in 2018 to just 340 in 2024, forcing its closure.[3] Meanwhile, accounting roles in Australia are forecast to grow from 201,600 to 234,000 by 2034.[4] The gap between supply and demand is widening, not closing.

The profession's response is visible in the Crunch data across three years. Firms are turning to offshore staffing and AI to maintain capacity. But a quieter shift is also underway. Clients per equity partner have declined steadily while average fees per client have risen. The industry is finding its own equilibrium, moving away from a high-volume, transactional model toward something more relationship-based and value-driven. That shift looks less like a trend and more like a permanent recalibration.

> *"At some point we have to stop calling this a talent shortage and start calling it what it is: a fundamentally different way of operating. The work hasn't gone anywhere, but the old model of loading junior accountants with low-complexity data work until they burn out and leave clearly isn't it. The firms asking the right questions aren't asking where to find more people. They're asking whether their best fee earners are buried in admin. Whether their bookkeepers could be doing more. Whether their junior staff are being developed or just processed. The starting point isn't external recruitment. It's an honest look inward.*
> **- Mark Holton OAM, Co-Editor, Mark Holton Consulting**



7,122
340 ↓

International accounting graduate program enrolments, 2018 to 2024[2]

234,000
201,600 ↑

Accounting roles needed in Australia, 2024 to 2034[3]

[1] CA ANZ, Declining University Enrolments, November 2022.
[2] CPA Australia, Integrated Report 2025, 2026.
[3] CPA Australia, CA ANZ and Institute of Public Accountants, joint statement on the Accounting Professional Year Program, February 2025.
[4] Victoria University, research for Jobs and Skills Australia, as cited in CPA Australia, CA ANZ and IPA joint statement, February 2025.

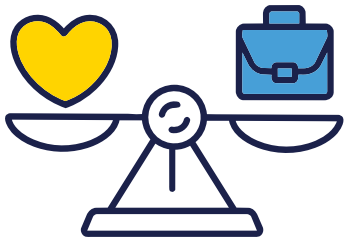
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Wellbeing **as a Strategy**

Burnout in the accounting profession is not a new trend. Formally measuring it is. The Australian Accountants & Bookkeepers Wellbeing Index found profession wellbeing sitting below national benchmarks,[1] a pattern reflected consistently in global research on work-life balance and retention across the profession.[2,3]

Something is shifting, and all indicators suggest this shift will continue. Real structural solutions are emerging, and the profession is beginning to treat wellbeing as a design problem rather than an occupational reality. Successful four-day work week trials[4] combined with AI reducing compliance workloads are giving firms options they did not previously have. The firms moving first are finding wellbeing is a recruitment and retention strategy, not a luxury.

> *"For a long time, what we now recognise as burnout was simply seen as working hard. You pushed through, hoped it would ease up, and kept going. What I am seeing now is practitioners actively choosing to design different practices and asking, "What would a practice that works for my clients, my team and my life actually look like?" We are no longer accepting a business model built on exhaustion, constant pressure and personal sacrifice. We are choosing enough - enough profit, enough time, enough energy and enough joy - in a way that feels sustainable, aligned and truly worth showing up for.*
> ***- Amanda Gascoigne FCA, GAICD, The Balanced Firm***



88%

of accountants want better work-life balance[2]



71%

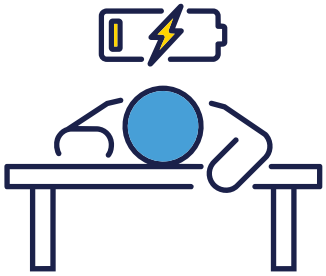
of accountants want mental health support at work[2]

61%

of finance professionals say work-life balance makes it harder to attract talent.

73%

say it's why they leave.[3]



71%

of participants in a global 4-day work week trial reported less burnout with no drop in productivity.[4]

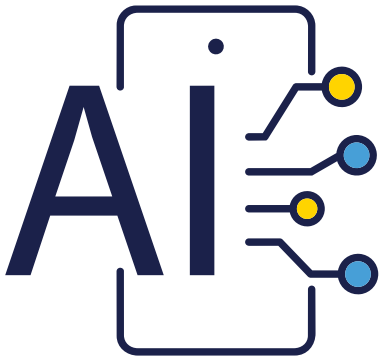
[1] Deakin University SME Research Centre, Examining Wellbeing and the Underlying Drivers of Stress in the Profession: Australian Accountants & Bookkeepers Wellbeing Index, April 2026.
[2] ACCA, Global Talent Trends 2023, 2023.
[3] N. Wilson, 'Underpaid, overworked: The audit profession's battle for talent', Accountants Daily, 27 March 2024. Based on ACCA and CA ANZ survey of more than 6,500 finance and audit professionals.
[4] 4 Day Week Global, Cambridge University and Boston College, global four-day work week trial results, as reported in Business Insider, July 2025.

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Integration **is the new "AI"**

AI usage across the profession is near-universal. The sharper question in 2026 is how deeply it has been built into daily operations. Only 16% of Asia-Pacific accounting and finance organisations report AI as widely integrated across their operations, despite 89% using it in some form.[1] The majority are working with free or off-the-shelf tools, applied irregularly, sitting alongside existing workflows rather than embedded within them.

Over the next three years, the profession's focus is expected to shift toward implementation quality. The firms pulling ahead have moved past the adoption question entirely. They have rebuilt workflows around AI, consolidated their tech stack, and invested in training their teams to use it consistently. Karbon's 2026 figures show firms with structured implementation saving 60 minutes per employee per day.[2] That advantage compounds, and the gap between firms with genuine integration and those still experimenting is forecast to widen.



89% of Asia-Pacific accounting firms use AI –

only

16%

have it widely integrated[1]

[1] CPA Australia, Business Technology Report 2025, October–November 2025
[2] Karbon, State of AI in Accounting Report 2026, January 2026. Vendor report.



Saved per employee per day – structured AI implementation[2]



89%

55% ↑

AI adoption in Asia-Pacific accounting, 2023 to 2025[1]

> *AI has stopped being a separate tool firms pick up occasionally. It is the infrastructure their work runs on. The shift now is less about whether you are using AI and more about whether your workflows are actually built around it. Less data entry, more review and interpretation. Fewer disconnected apps, more integrated platforms. The firms investing in training their teams and redesigning their processes are creating a gap that is genuinely hard to close. There is a clear divide emerging between firms that operate as tech-enabled businesses and those still running a traditional practice. That divide is commercial now, not just philosophical.*
> ***- Trent McLaren, Co-founder, Vinyl***

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The Compliance Burden Is Growing, **and It Is Moving Downstream**

The 1 July 2026 convergence of AML/CTF Tranche 2[2] and Payday Superannuation[3] marks a clear shift: compliance responsibility is moving from government onto businesses and the advisors beside them. Obligations once limited to large listed entities are cascading down the supply chain. What Group 1 companies manage today, their suppliers will manage within a few years.

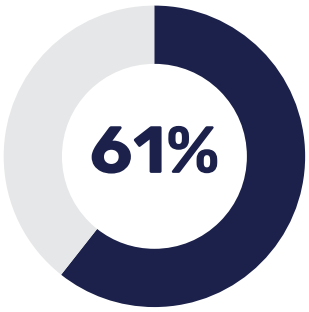
The cumulative weight of this is already showing up in behaviour. 42% of small businesses say red tape is actively harming their operations, and 61% are spending more than $20,000 a year on compliance alone.[1]

That cost has consequences: 28% of small business owners have considered closing in the past 12 months, and 30% worry about closure in the next twelve.[1] For accounting firms, the picture has two sides. More complexity means compliance work that was never billable before. But these obligations are forecast to deepen, and firms already embedded in client businesses are better placed to meet that demand as an opportunity rather than a burden.

> *"The firms that will do well out of this are the ones that stop seeing regulation as a cost and start seeing it as a reason to be more present. AML/KYC, Payday Super, ESG requirements filtering down the supply chain. Every one of these is a conversation a client needs to have with someone they trust. If you are already embedded in that business, you are the natural person to have it. If you are only showing up at year end, someone else will be. The compliance burden is not going away. The question is whether your firm is positioned to meet it as an opportunity or just absorb it.*
>
> ***- Matt Feehan, Managing Director, Three Rivers Group***



say red tape is actively harming operations[1]



$20,000+
what **61%** of small businesses spend on compliance each year[1]

in the past 12 months

28%
have considered closing –

30%
fear closure in the next 12 months[1]





1 July 2026

AML/CTF Tranche 2 and Payday Super converge[2,3]

[1] ACCI, 2025 Small Business Conditions Survey, 2025. As cited in SA Business Chamber, Red Tape, Stress and Resilience, November 2025.
[2] AUSTRAC, Newly Regulated Businesses: Get Ready for the Reforms, March 2026.
[3] ATO, Payday Super: How to Manage Super During the Changeover, 2026.

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Depth Is Becoming **The Differentiator**

As compliance work becomes easier to automate, specialist areas are filling with demand that technology is not placed to meet. SMSF numbers have hit records,[1] ESG obligations are cascading downstream, and R&D, restructuring, and succession work is rising as the business-owner population ages.[2] Nine in 10 practices now report clients expect advisory services beyond compliance, and that demand is landing where technology is least placed to replicate it.[3]

The trajectory points toward divergence. As compliance commoditisation accelerates over the next three to five years, the generalist will continue to face fee pressure in a market where adequacy is increasingly automated. In contrast, firms that differentiate through depth and genuine client understanding will position themselves on the right side of a divide that is forecast to widen.



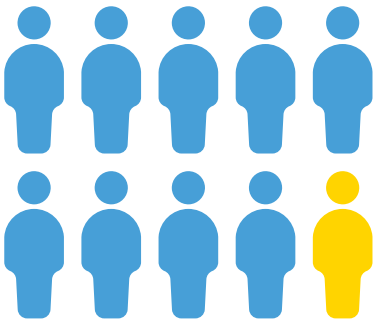
86%

of new SMSF establishments in FY25 from Gen X and Millennials.[1]



42,000

new funds opened in FY25, the strongest growth year since FY17.[1]



9 in 10

practices report clients now expect advisory services beyond compliance.[3]

[1] Class, Annual Benchmark Report 2025, 2025. Vendor report.
[2] ASIC, media release 24-205MR, September 2024.
[3] The Access Group, Advisory and Analytics Services Study, January 2025. Vendor report.

> *Most firms are under pressure: too much information, too much admin, constant switching between clients and issues. With AI becoming embedded across the tools we already use, there is a real opportunity to reduce that friction and free up capacity for advising and actually adding value. The role of the accountant will continue to shift. Compliance isn't going anywhere, but more of the value is moving into interpreting outputs and helping clients make decisions. Client expectations will keep increasing, and the challenge will be delivering on that while still maintaining control over how the firm operates.*
>
> ***- Rebecca Mihalic FCA, Head of Accounting APAC, Ignition***

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Report Wrap Up & **Thank You**

The Crunch only exists because firms like yours contribute their data, and for that, we are deeply grateful.

Three years in, some findings are starting to feel less like annual observations and more like permanent shifts. The top cohort writing on rather than off is the most striking this year, a milestone that has been building across every edition of this report. Beneath that, the patterns around team composition, client quality, and service mix tell a consistent story: the distance between the top and bottom is not happening by accident. It reflects decisions made deliberately, and sustained over time.

This year we were fortunate to welcome four new contributors alongside Mark Holton OAM, now in his third year: Matt Feehan, Amanda Gascoigne, Trent McLaren, and Rebecca Mihalic. Their perspectives, alongside three years of cohort data, industry research, and qualitative insight, make for a report that doesn't just present the numbers but examines what they mean. We are proud of what we have produced.

We hope you found it insightful, thought-provoking, and more importantly, valuable for your firm.

The Crunch will be back in 2027. We look forward to seeing you in the data again then.

Julia Thomson

Editor of Crunch | The Benchmarking Group

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About the **Participants**

The 2026 Crunch report draws on insights from 124 Australian accounting firms, highlighting the diversity in revenue, staffing models, and geographic spread across the sector.

REVENUE BREAKDOWN

Revenue breakdown shows that 23% of firms earn below $1.3 million annually, while 23% report revenues between $1.3 million and $2.99 million. A further 20% fall into the $3 million to $4.99 million range, with the remaining 27% exceeding $5 million. Revenue is relatively evenly distributed across the four size categories.

FIRM SIZE BY FTES

Firm size by Full-Time Equivalents (FTEs) reveals a broad spread across staffing levels. Firms with fewer than 8 FTEs make up 19% of the cohort. 22% operate with 8 to 16 FTEs, while 21% employ between 17 and 27. Larger firms, those with more than 27 FTEs, represent 27% of participants.

OWNERSHIP STRUCTURE

Ownership structure also varies. Firms with a low partner headcount (1 to 1.9 equity partners) account for 28% of the sample, while 46% have between 2 to 4.9 equity partners. Those with 5 or more equity partners make up the remaining 22%.

GEOGRAPHIC REPRESENTATION

Geographic representation is concentrated in Victoria (31%) and Queensland (26%), with New South Wales contributing 23% of the sample. Firms from other states and territories comprise the remaining 16%.

The 2026 dataset reflects a broad cross-section of firm sizes and geographies, providing a representative basis for benchmarking across the Australian accounting profession.

Benchmarking Methodology

Benchmarking KPIs Methodology

The KPI graphs in this report show the low, median, and high results across the dataset. These are calculated by identifying the median value within each quartile of the total sample. This quartile-based median approach delivers a balanced view of performance across all businesses.

Benchmarking Tables Methodology

The benchmarking tables present the average result for each bracket, showing how performance varies across firm sizes and the overall cohort.

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Glossary

The below glossary clarifies the KPI definitions which appear on both the Benchmarking KPIs and Tables.

A

% of Clients Fees Billed per Price Bracket
The percentage of clients billed in each category annually helps your firm understand its market segmentation and service reach.

Average Fee per Client
Average accounting fees billed per client group. Variation across the cohort reflects differences in service scope, client complexity, and market positioning.

Average Hourly Rate – After Write-Offs
The average hourly rate after write offs provides your firm with a realistic assessment of billing rates and the financial impact of negotiated discounts or client adjustments.

Average Hourly Rate – Before Write-Offs
Calculating the average hourly rate before write-offs gives your firm a baseline measure of billing efficiency and pricing structure.

C

Client Growth Rate
Client growth rate measures the success of your firm in maintaining and growing your client base.

Clients per Equity Partner
The average number of clients managed by each equity partner at your firm is indicative of client service levels and partner workload.

D

Debtor Days
Debtor days provide a timeline for how quickly your firm can convert its services into cash flow, demonstrating your liquidity management.

E

Expenses as a % of Revenue
Expenses as a percentage of revenue provide a comprehensive look at your firm's cost structure relative to its income, informing on expense and operational management.

F

Fee Earner / Non-Fee Earner Ratio
This ratio of fee earners to non-fee earning staff is important for your firm to gauge efficiency in workforce deployment for revenue-generating activities.

Floor Area per Person
The floor area allocated per staff member at your firm can influence operational efficiency and employee satisfaction.

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Glossary continued

G

Gross Profit % (Before Partners Salary - BPS)
Your firm's gross profit margin before partner salaries illustrates the profitability of your services before operational expenses and provides a health check of your pricing strategies.

Gross Profit per Partner (BPS)
Gross profit per partner before partner salaries is a benchmark KPI which allows your firm to compare the gross profit earnings of each FTE equity partner.

H

Heat / Light / Power Cost per Person
Utility costs per staff member at your firm are important for managing operational expenses and sustainability practices.

L

Leverage Structure
Your firm's leverage structure, indicating the ratio of non-partner to partner staff, informs on scalability and potential for profit maximisation.

Lock Up Days
Lock up days measure the time from work done to cash received, reflecting the efficiency of your firm's billing cycle and working capital management.

N

Net Profit % (After Partner's Notional Salary)
To enable accurate benchmarking, a notional salary of $200,000 per FTE partner is applied to each firm. The percentage of net profit after the partner's notional salary reflects your firm's ability to generate profits after adequate payments to all partners.

Net Profit % (After Partner's Salary)
Net profit after partner salaries as a percentage provides a clear view of your firm's profitability, factoring in the cost of all equity partners.

Net Profit % (BPS)
Net profit margin before partner salaries adds all partner salaries back to profit. As there is significant variance in the payments made to partners, and the number of partners in each firm, excluding partners salaries enables a more accurate benchmark comparison across firms.

Net Profit per FTE (BPS)
The net profit per FTE before partner salaries reveals the profitability contributed by your firm's workforce, highlighting efficiency in staff utilisation and cost management.

Net Profit per Partner (BPS)
Net profit per partner before partner salaries is a precise measure of profitability attributable to each partner, influencing decisions on profit distribution and strategy within your firm.

Net Write-Offs / Write-Ons %
The percentage of work written off or added is a critical metric for your firm, reflecting on billing accuracy and client negotiations.

Net Write-Offs
Total reductions in billed amounts, or net write-offs, impact your firm's revenue accuracy and highlight the importance of precise billing practices.

Net Write-Offs per Person
The average write-off value per person involved offers insights into the efficiency and accuracy of your firm's billing processes.

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Glossary continued

P

Productivity – All FTEs

Assessing productivity across all FTEs, including both fee earning staff and equity partners, gives your firm opportunity to evaluate overall operational efficiency.

Productivity – Equity Partners

Assessing the productivity of equity partners specifically allows your firm to measure the effectiveness of its leadership in generating revenue and managing client engagements.

Productivity – Fee Earners Only (Excluding Equity Partners)

Productivity for fee earning staff, excluding equity partners, is a key metric for your firm, highlighting the efficiency of your billable workforce and its impact on profitability.

R

Rent per Sq Metre of Premises Area

Understanding the rent per square meter of your premises is key for your firm to manage its occupancy costs effectively.

Reported Equity, excl Goodwill

Equity excluding goodwill, expressed per FTE equity partners. Reflects the tangible net asset position on a per-partner basis.

Revenue per Chargeable Person

The revenue generated per chargeable person is an important metric for your firm, measuring the direct financial contribution of staff who are actively engaged in billable work.

Revenue per FTE

Revenue per full-time equivalent (FTE) gauges the average output of your workforce, essential for assessing how effectively your firm is utilising its human resources.

Revenue per Partner

Revenue per partner is a key performance indicator that measures the ability of each partner to generate revenue, directly reflecting their contribution to your firm's overall financial success.

S

Salaries as a % of Revenue

The percentage of total revenue spent on salaries is a direct indicator of your firm's investment in its workforce relative to its income. This figure does not include salaries of equity partners.

T

Total Reported Equity

The total equity reported by equity partners of your firm is a testament to your financial strength and capital resources.

W

Work In Progress Days

Monitoring the average number of days work remains in progress is important for your firm to manage workflow and project completion timelines.

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The Benchmarking Group Pty Ltd

ABN: 76 118 947 872
www.benchmarking.com.au

For more information contact:

Telephone: +61 2 9262 5564
Email: enquiries@benchmarking.com.au
Office Address: L3, 47 York St, Sydney NSW 2000
Postal Address: PO Box 1235, Glenelg South SA 5045

Produced by:
Benchmarking
DATA & RESEARCH