

FY25

Benchmarking Report for Australian Accounting Firms

Key Operational and Financial Benchmarking Insights
to Guide Your Firm's Performance



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Message from the Founders

The accounting profession is experiencing significant change. Firms are increasingly focused on AI adoption, expanding advisory services, improving operational efficiency, and growing high-value client relationships. The industry is shifting toward doing more client work more efficiently while leveraging technology for competitive advantage. We are passionate about assisting the continued success of the accounting profession as this is vital for the success of private enterprises.

Like many of you, we see the challenges firsthand. Teams juggle workflow management, WIP control, and ensuring consistent client delivery—all while trying to maintain technical quality, service delivery and profitability.

The question isn't whether to adopt new technology, but how to do it without losing what makes your practice valuable: your team's expertise and your client relationships. The goal should be automating routine tasks so your people can spend more time on strategic work that actually requires their skills.

This benchmarking report provides the insights you need to understand where you stand and identify opportunities to create a better business. It's designed to help you make informed decisions about your practice's future direction.

At Dashboard Insights, to compliment our existing products, we're working on AI enhancements for areas like compliance automation and enhanced practice management. These developments will handle routine processes more efficiently, giving your team capacity to focus on advisory work and client relationships that drive real value.

The pressure to work smarter while maintaining quality and team morale is real. But so is the opportunity. The practices that will succeed are those that use technology strategically, not as a replacement for human capabilities, but as a tool that handles the administrative burden so their people can focus on what matters most to their team, their clients and their businesses.

Ryan Richardson
Founder

Andre David
Founder

Theo Mitsinikos
Founder



About Dashboard Insights

Dashboard Insights is a data analytics company helping businesses turn complex data into meaningful insights. We specialise in tailored and custom dashboards that deliver the right information, to the right people, at the right time – empowering teams to have bigger and smarter impact across the organisation.

Purpose-built dashboards for accounting practices

With practice management, compliance, and advisory solutions, our products are designed for the unique needs of accounting firms. Whether you're aiming to improve profitability, streamline operations, or simplify reporting, we provide the dashboards and insights you can use to drive better business and performance outcomes.

More than dashboards – we're your analytics partner

Alongside our dashboard products, we offer implementation support and ongoing training. There is also an opportunity to tailor or customise our products to your specific needs. Our team works closely with you to unlock the full potential of your business and ensure your data and systems are driving real results.

Unlock the power of your data for business improvement

Ready to take your business to the next level? Book a free demo today via www.dashboardinsights.com/contact. Or email us at hello@dashboardinsights.com



Shaping the Report

What if your firm's next breakthrough is hiding in plain sight, waiting to be discovered in the data you already have?

Sports changed forever when teams stopped relying on intuition alone. The Oakland Athletics' baseball team created a winning strategy with their "Moneyball" approach which showed how statistical insights could reveal overlooked value and create new competitive strategies. With just one-third of the payroll budget of their competitors, they found success by looking at familiar information through a different lens: sports analytics.

The success of this analytical approach is evident across the sports industry. Basketball teams began exploring the efficiency of different shot types through data analysis, discovering that three-pointers and layups delivered better value than mid-range jumpers. These insights didn't invalidate traditional wisdom, rather they complemented it, adding new dimensions to the conversation about strategy and performance.

A similar opportunity is available to accounting firms who have access to comprehensive benchmarking based on actual practice data. Most available industry reports rely on self-reported surveys and case studies – valuable perspective, yes, but just a limited part of the whole picture. The question remains, what might we learn by complementing these with real operational and financial data?

While the accounting profession has always excelled at analysing numbers, combining these foundational skills with the right data analytics tools creates the perfect opportunity to level up practice management and improve business outcomes. Firms need data-driven answers to questions like: Which services significantly drive profitability? How does technology investment impact productivity? What operational patterns distinguish high-performing firms from their peers?

With this report, Dashboard Insights aims to contribute to these important conversations by creating greater visibility to industry performance and sharing benchmarking insights drawn from real operational and financial data across over 200 Australian accounting firms.

Finally, this benchmarking report is presented as a data-driven opportunity to facilitate the sharing of ideas for the continuous improvement of the accounting industry and drive greater impact for your clients, empower your team, and create a better business.



What is the process behind getting the benchmarking data?

To develop the benchmarking insights presented in this report, we followed a rigorous and methodical process designed to ensure data accuracy, reliability, and overall value.

We began by collecting practice management data from over 200 Australian accounting firms, covering a wide range of sizes, regions, and operating models. This raw data was then modelled and aggregated into a single, structured dataset that forms the foundation of our benchmarking analysis.

To maintain high data integrity, we conducted extensive data cleaning — including anomaly detection, outlier removal, and deduplication — to eliminate errors and ensure each data point was accurately represented. We also corrected human input inconsistencies that could affect the reliability of the analysis.

Finally, we applied advanced structuring and formatting methods to prepare the data for analysis, making it easier to identify trends, compare firm performance, and extract meaningful insights.

By following this robust process, we've created a dataset that reflects the real operating environment of Australian firms — enabling informed decisions grounded in industry evidence.

How can this report be useful to you?

By leveraging the insights provided in this Benchmarking Report, you can:

- Compare your firm's performance with industry benchmarks;
- Set business plans with greater confidence of outcomes;
- Identify strengths and areas for improvement; and
- Develop targeted strategies that are aligned with your goals.

We trust you will find value in the following information contained in this FY25 Benchmarking Report for Australian Accounting Firms.

By understanding where you stand and making deliberate decisions, you can drive your firm towards continued success.

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PART 1:

FY25 Benchmarking Data Overview

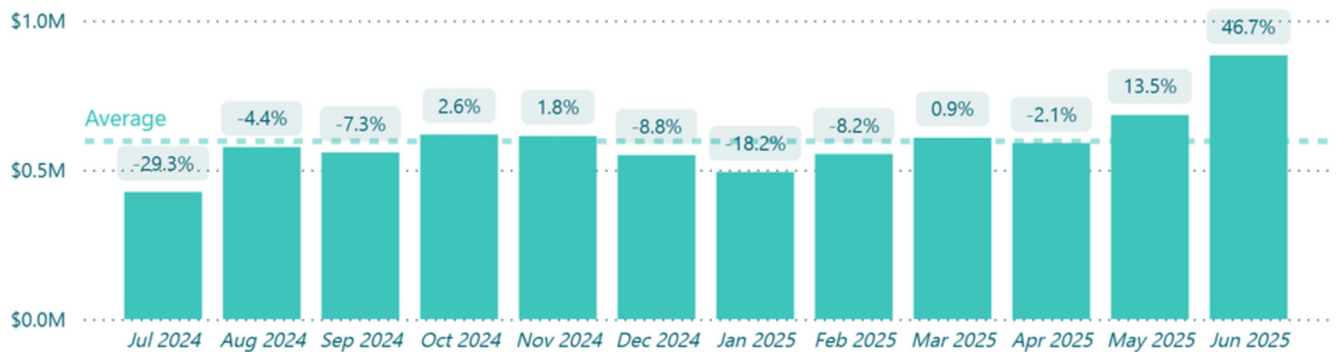


Revenue Overview

June Revenue Spike Marks a Strong FY25 Finish

FY25’s revenue pattern reflects a familiar cycle, with slow recovery after EOFY, disruption over the holidays, and a heavy reliance on EOFY billing to meet targets. The final quarter lifted performance sharply, with May up 13.5% and June surging 46.7%. When compared to average monthly billing, July 2024 and June 2025 average out to near average billing, a common pattern in the industry where firms bill heavily at year-end and begin the new financial year slow. While the finish was strong, the uneven rhythm points to a deeper opportunity: building more consistent revenue streams to reduce pressure and drive sustainable performance year-round.

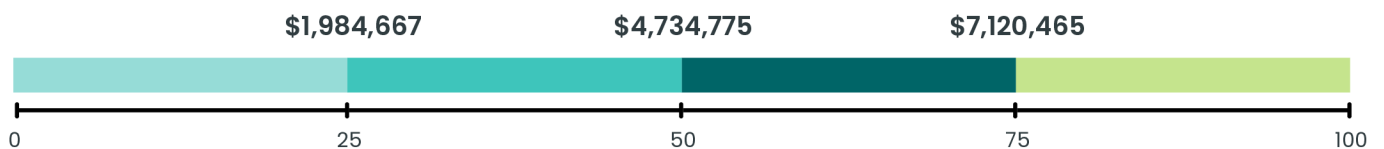
Monthly Revenue Trend



Quartile Benchmarks Show How Firm Revenue Stacks Up

FY25 revenue ranged from \$1.98M at the 25th percentile to \$7.12M at the 75th, with a median of \$4.73M. This wide spread reflects the varied scale at which firms are operating today, from boutique firms to high-capacity practices. These figures may be higher than typical industry ranges due to the nature of our customer base, which typically consists of more established firms. Rather than compare directly, firms can use this data to understand what’s possible at different levels of scale and structure their goals with clearer context.

Revenue by Quartile





Revenue Growth Slows After Strong Post-FY24 Rebound

After a strong rebound in FY24, firms entered FY25 with cautious optimism as growth eased to 6% amid economic tightening and business uncertainty. The increase was driven less by volume and more by expanded services and stronger pricing. Improvements in billing rates and client fees point to firms delivering higher-value work with leaner teams. This shift reflects a more strategic approach to growth through service depth rather than headcount alone.

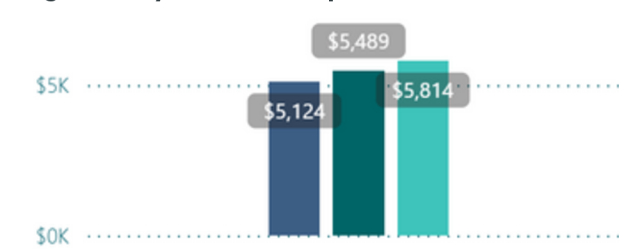
Revenue from FY23 to FY25



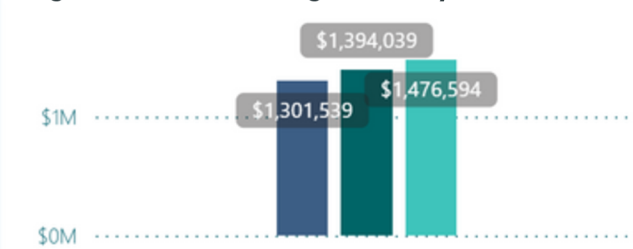
Steady Gains in Pricing, Client Value, and Partner Leverage Point to Smarter Growth

Firms grew revenue not just by adding more clients, but by delivering more value by client and leveraging their teams more effectively. Average fees by client group rose to \$5,814, pulled upward by firms offering broader service scopes. At the same time, fees by billable FTE and under each partner also increased, as firms were either staffing up to support growing client bases or driving more output from existing teams. The rise in average billing rates to \$230 supports this story, showing firms are more confident in pricing and shifting toward higher-value engagements.

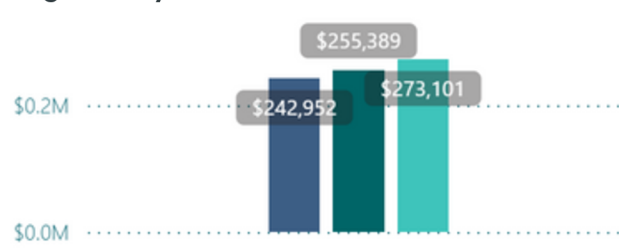
Avg Fees by Client Group



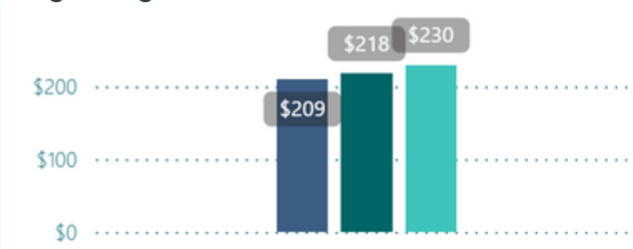
Avg Fees Under Management by Partner



Avg Fees by Billable FTE



Avg Billing Rate



● FY23 ● FY24 ● FY25

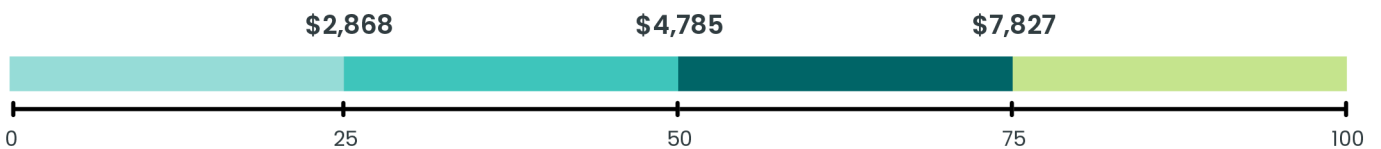


Firms are expanding, not just in size, but in scope, offering broader services, growing teams, and reshaping how work gets done.

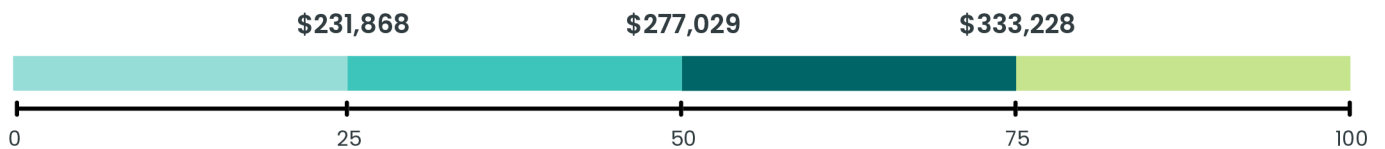
- **Client value is increasing:** Top-quartile firms earn \$7,827 by client group, showing a shift toward broader, higher-value services.
- **Confidence in pricing is rising:** Billing rates are at least \$275 at the top quartile, reflecting firms' ability to charge for strategic, outcome-driven work.
- **Partners are becoming more strategic:** With \$1.75M in fees under management, partners are focusing on client relationships and relying more on their teams at top quartile firms.
- **Teams are scaling delivery:** \$333K in fees by billable FTE highlights growing headcount and smarter delegation to support service expansion.

These shifts reflect a model where growth comes but from delivering more value.

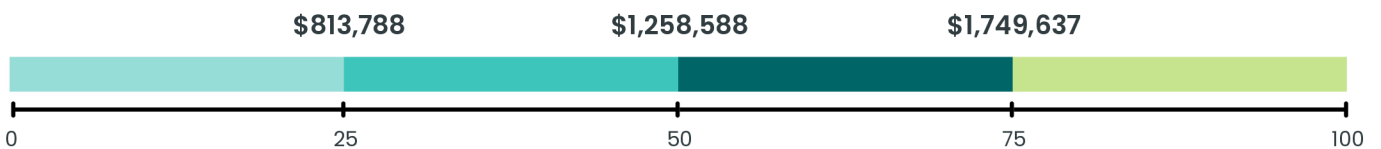
Avg Fees by Client Group



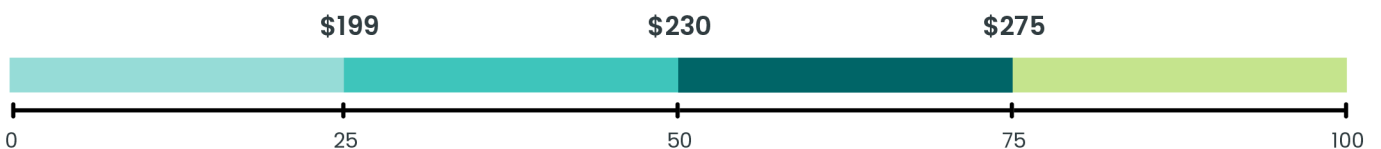
Avg Fees by Billable FTE



Avg Fees under Management by Partner



Avg Billing Rate





Hourly Rates Vary by Over \$40 Even as Client Loads Stay Consistent

Across firm sizes, client groups by partner remain steady, hovering between 284 and 296 groups. Smaller firms carry the heaviest client loads yet charge the lowest hourly rate at \$198/hour, due to capacity pressure and limited pricing flexibility. In contrast, mid-sized firms (31–65) manage fewer clients but command the highest rate at \$242/hour, signalling greater specialisation and pricing confidence.

Avg Hourly Rate



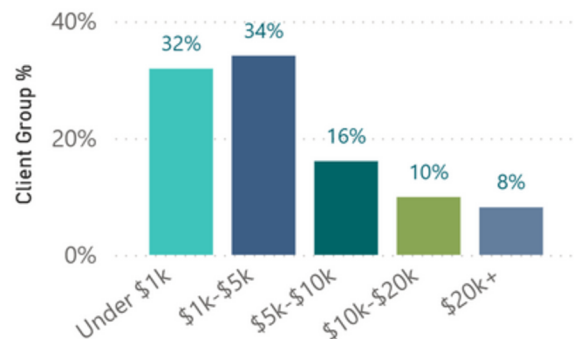
Avg Client Groups by Partner



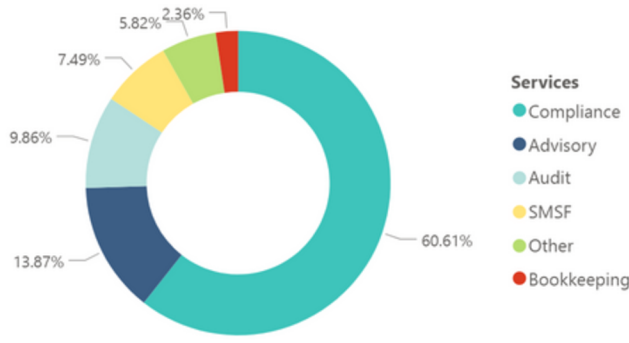
66% of Clients Pay Less Than \$5K a Year

Most firms are servicing a high volume of low-fee clients, with 66% of client groups generating under \$5K annually. Just 18% bring in over \$10K, showing that deeper, more profitable relationships are still limited. Firms can benefit from focusing more intentionally on the top 20% of clients who contribute the most value. If further tapped, clients at the upper range hold strong potential to unlock significant revenue opportunities without increasing delivery strain.

Client Group Composition by Fee Level



Services Breakdown



Compliance Still Dominates, while Advisory and Other Services Show Growth

Firms aren't just improving how they bill, they're also shifting what they offer. Compliance remains the core at 60.61%, but Advisory is gaining ground at 13.87%, signalling growing demand for strategic, value-driven support. Other services like Audit, SMSF, and Bookkeeping round out the mix, as firms begin to diversify beyond core tax and reporting work.



Profit Margin

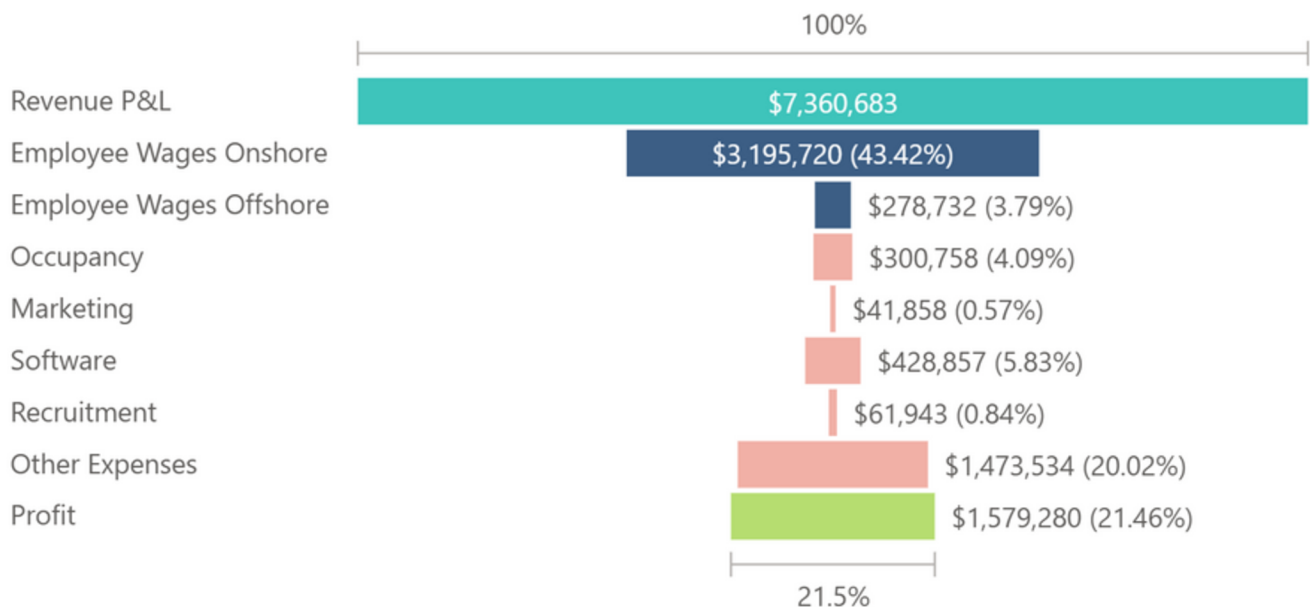
Top Firms Lift Margins by Managing Costs, Not Just Revenue

Raw data from clients' financial software files was categorised into consistent reporting groups, with firms segmented into profit quartiles to compare cost structures and operating models. With the data obtained before Partner salaries, the analysis revealed that stronger margins come not from earning more, but from spending more intentionally. Key insights are:

- **Profitability improves as cost ratios tighten:** Margins climb steadily from 8.8% in the bottom quartile to 38.2% in the top quartile, driven not necessarily by higher revenue, but by tighter control over labour and overhead costs.
- **Wages are optimised:** The highest margin firms optimise pricing to control labour costs with onshore labour at 36.7% and offshore labour at 5.4%, indicating leaner team structures and greater use of systems rather than employing more people.
- **Overheads are managed tightly:** Other Expenses drop from 20% in the lowest margin quartile to 13.4% in the highest margin quartile, proving there's still room for many firms to tighten indirect spend.
- **Firms do not spend more. They spend better:** Software, marketing, and recruitment costs remain consistent across quartiles, showing that structure and discipline, not higher spend, drive margin growth.

Smarter firms are not simply earning more, they are designing better ways to operate. Margin growth is not about revenue size, it is about clarity in how every dollar is used.

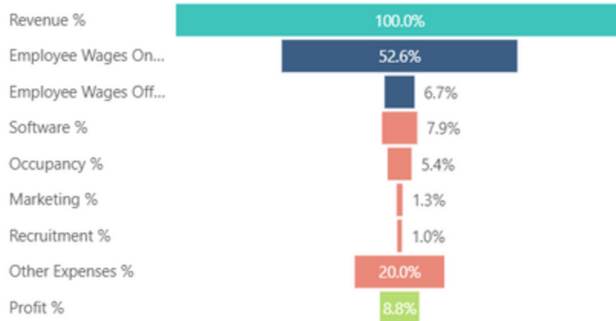
Revenue Profit & Loss Breakdown



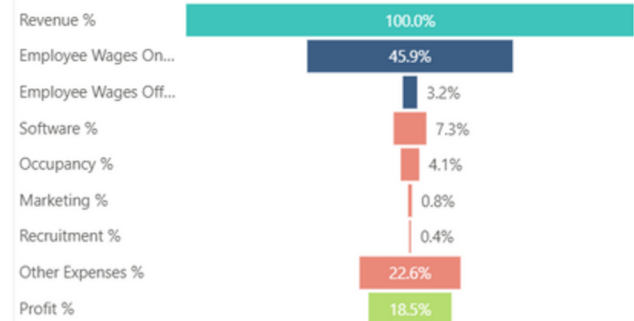


Revenue Profit & Loss Breakdown by Quartile

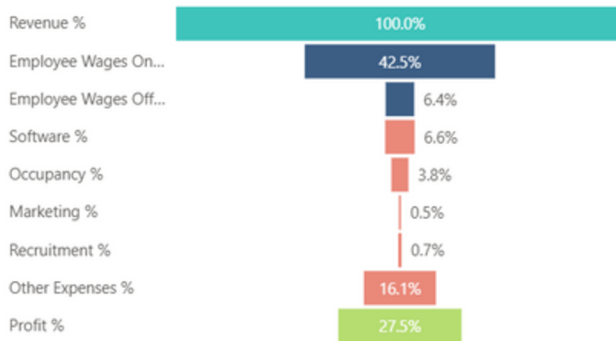
Profitability 0-25th Percentile



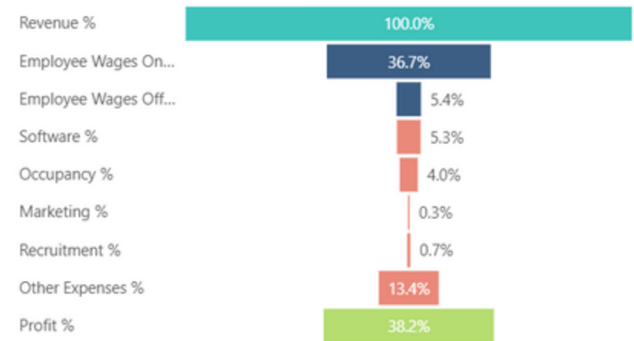
Profitability 26-50th Percentile



Profitability 51-75th Percentile



Profitability 76-100th Percentile



No One-Size-Fits-All Model for Success

There's no one-size-fits-all model for firm profitability. Comparing both profit quartiles and state-by-state data reveals no consistent pattern across metrics like productivity, billing rates, or client volume. Some firms thrive with lower billing rates, while others with high productivity still fall short. This highlights how profitability is shaped more by internal strategy and structure than any single factor. In the end, success comes from what works best for each individual firm.

Profitability vs Other Metrics by Quartile

	0-25th	26-50th	51-75th	76-100th
Profit %	8.8%	18.5%	27.5%	38.2%
Productivity%	59%	57%	60%	63%
Recoverability%	82%	88%	87%	84%
Average Billing Rate	\$237	\$213	\$234	\$241
# Client Groups	818	851	1,116	1,205
WIP Days	73	81	80	81
Job Turnaround	73	89	74	74
Debtor Days	27	24	33	32
Revenue Growth	9%	1%	10%	6%

Profitability vs Other Metrics by State

	QLD	SA	WA	VIC	NSW	TAS	ACT
Profit %	21.1%	21.9%	22.5%	23.4%	23.6%	25.3%	29.1%
Productivity%	63%	59%	62%	60%	59%	63%	63%
Recoverability%	106%	87%	88%	85%	88%	89%	92%
Average Billing Rate	\$230	\$227	\$227	\$231	\$245	\$201	\$268
# Client Groups	1,361	969	946	789	692	1,083	1,161
WIP Days	58	79	78	84	92	106	56
Job Turnaround	59	81	79	68	90	77	62
Debtor Days	35	27	27	29	30	34	24
Revenue Growth	10%	6%	7%	5%	6%	6%	11%

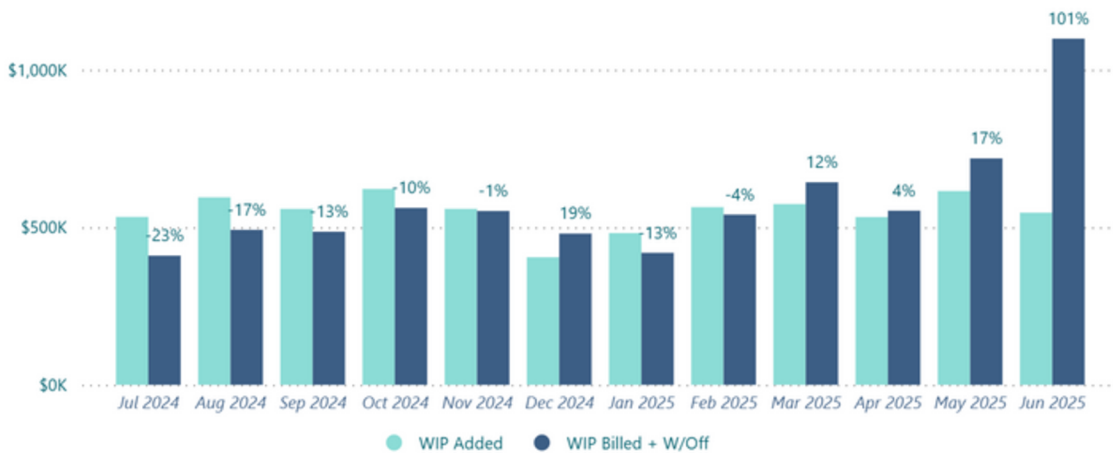


Job & WIP Management

WIP Builds First, Then Invoicing Follows

In FY25, firms spent more than half the year building up WIP before shifting gears to focus on billing. From July to January, WIP added consistently exceeded billing, with up to 23% higher volumes in the early months as firms concentrated on starting new jobs. The turning point came in December, when billing began to outpace WIP added and continued through to June. By year-end, firms made a strong push to close jobs, with June billing almost double above WIP added. This catch-up effort helped firms slightly reduce their WIP, billing more than what was added across the year.

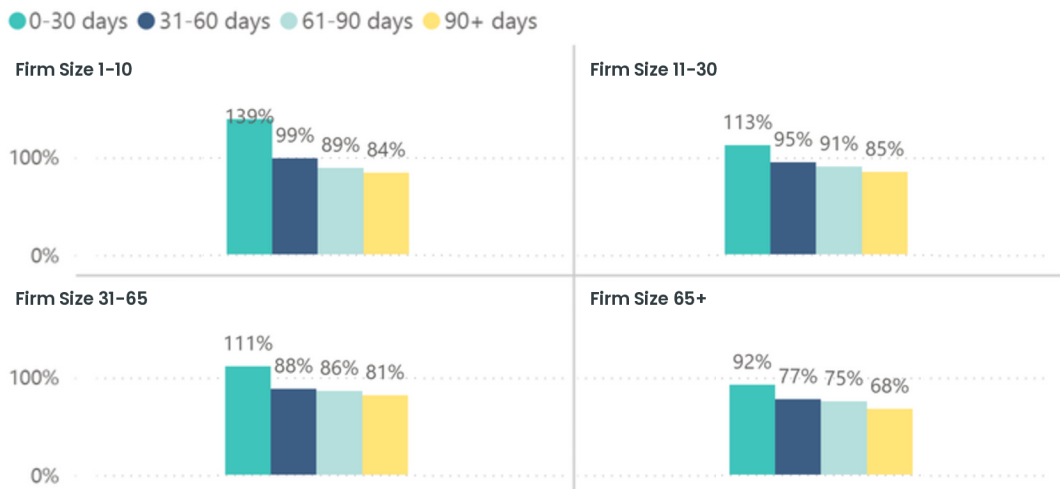
Avg WIP Added vs WIP Billed Trend



Recoverability Drops as WIP Ages

Across all firm sizes, recoverability is strongest within the first 30 days, often reaching or exceeding 100%. Beyond 30 days, recoverability steadily declines across all cohorts. The trend reinforces the importance of prompt billing to maximise returns and reduce risk.

Recoverability for Aged WIP within 30, 60, 90+ Days

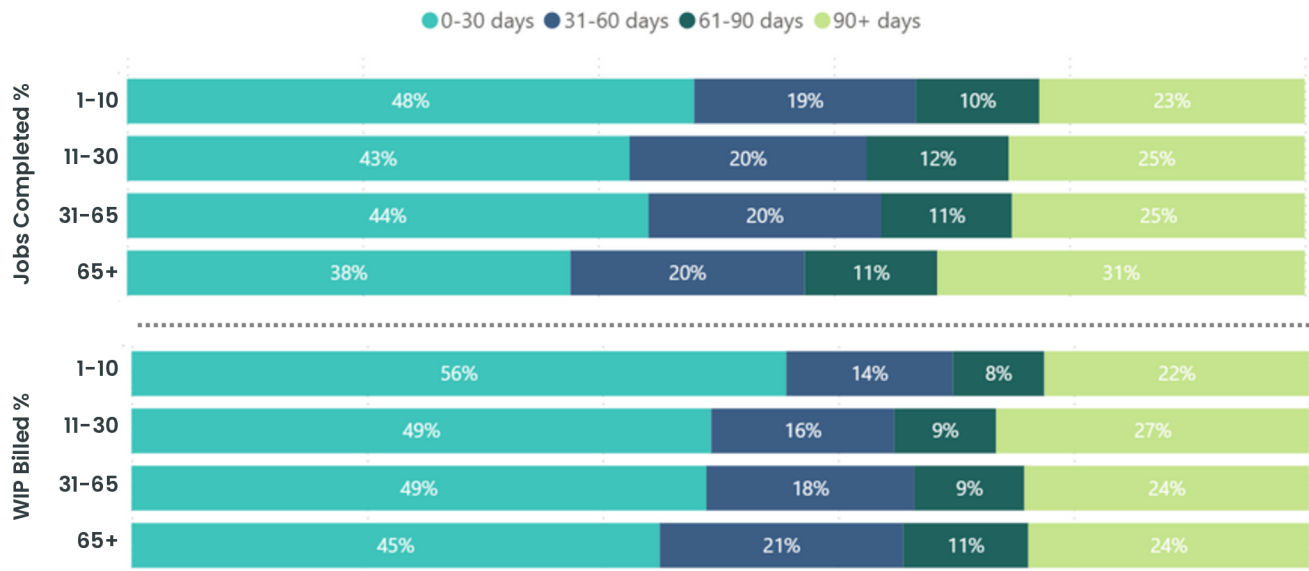




As Firms Scale, Job Completion and WIP Billed Decline

As firm size increases, the percentage of jobs completed and WIP billed within 0–30 days steadily declines. Job turnaround times remain relatively consistent across smaller to mid-sized cohorts, then rise sharply to 104 days in the largest cohort. WIP days follow a similar trend, increasing from 70 to 93 days as firms grow. This is mirrored in ageing patterns, where the proportion of jobs and WIP value in the 90+ day category rises with scale, highlighting growing challenges in workflow efficiency and billing discipline.

Job Completed % vs WIP Billed %



Job Turnaround Times and WIP by Firm Size

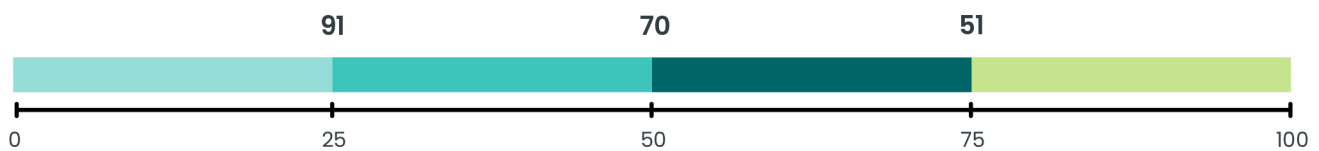
1-10	79 Job Turnaround Days	70 WIP Days	47% Completed Jobs 0-30 Days	53% WIP Billed 0-30 Days
11-30	68 Job Turnaround Days	86 WIP Days	44% Completed Jobs 0-30 Days	49% WIP Billed 0-30 Days
31-65	74 Job Turnaround Days	82 WIP Days	44% Completed Jobs 0-30 Days	49% WIP Billed 0-30 Days
65+	104 Job Turnaround Days	93 WIP Days	37% Completed Jobs 0-30 Days	44% WIP Billed 0-30 Days



Top-Quartile Firms Complete Jobs Nearly Six Weeks Faster

Top-quartile firms are completing jobs in just 51 days – 40 days faster than the bottom quartile at 91 days. The median sits at 70 days, showing a wide performance gap between fast-moving firms and those falling behind. Larger firms tend to have slower cycles, with 65+ seat firms averaging 104 job turnaround days and 93 WIP days, compared to just 79 and 70 days for the smallest firms. Faster turnaround means jobs are billed sooner, improving cash flow and reducing the risk of work being forgotten or written off. Firms chasing growth can look to top quartile firms for cues on process efficiency, team coordination, and job tracking discipline.

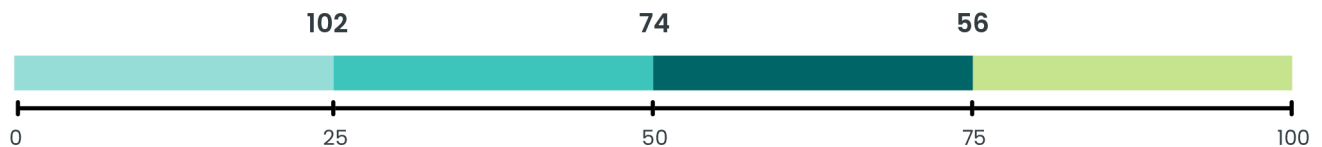
Job Turnaround by Quartile



WIP Lockup is 46 Days Longer

Firms in the top quartile clear WIP in 56 days, while those in the bottom quartile take 102, extending lockup by 44 days and delaying revenue. With a median of 74 days, most firms are holding WIP far longer than the 30 to 45 day target, putting cash flow and recoverability at risk.

Avg WIP Days by Quartile





Timesheets & Productivity

Productivity Varies by Firm Size, Reflecting Complexity and Priorities

Productivity levels differ across firm sizes, influenced by the nature of work and operational focus. Smaller firms lead at 72%, handling simpler jobs with fewer internal processes. In contrast, larger firms post lower productivity at 60%. These differences highlight how productivity is shaped not just by effort, but by the structure of each firm.

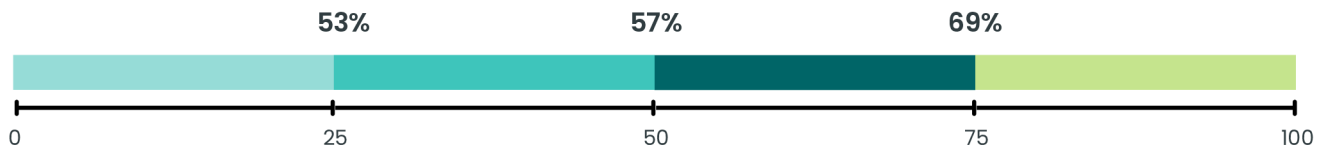
Timesheet Hours Productivity by Firm Size

Firm Size	Avg Total Billable Hours	Avg Billable Hours	Avg Productivity
Firm Size 1-10	7,492	5,409	72%
Firm Size 11-30	23,898	14,658	61%
Firm Size 31-65	47,866	27,546	58%
Firm Size 65+	124,692	74,274	60%
Total	49,435	29,570	60%

Top-Quartile Firms Achieve Productivity Rates 16% Higher Than the Bottom Quartile

Not all hours are equal, and top-quartile firms are making every one count. While the bottom quartile bill just 53% of their time, the top quartile reach 69%, effectively turning a full extra day each week into revenue. Backed by clear scopes, structured workflows, and strong accountability, these firms prove that productivity isn't just a metric but a strategic advantage built on focus, discipline, and smart team management.

Avg Productivity by Quartile

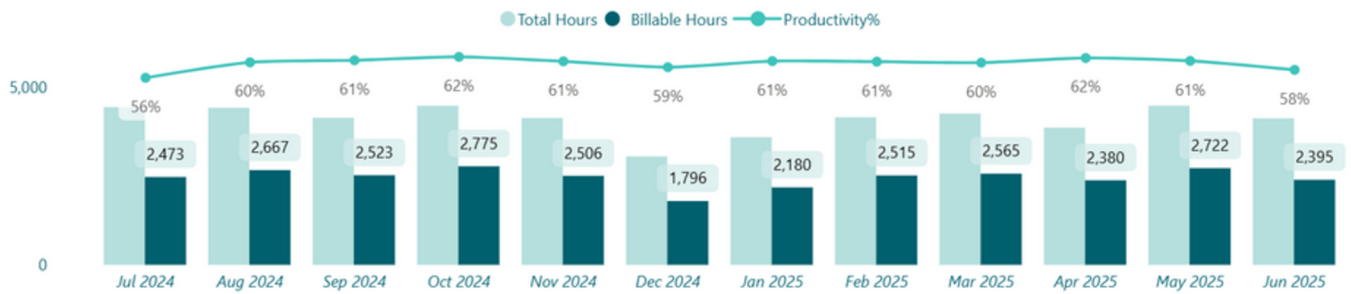




Monthly Hours Shift While Productivity Remains Flat Across FY25

Total and billable hours rose and fell in line with seasonal patterns across FY25, yet productivity remained steady at around 60–62%. The lowest volumes were recorded in December and January, with billable hours falling 27% and 22% below the FY25 monthly average respectively, reflecting typical holiday slowdowns. In June, it also showed a surprise dip, with both hours and productivity falling below average. These trends show that while workload volume shifts throughout the year, the way time is allocated between billable and non-billable work remains consistent, resulting in a flat productivity line.

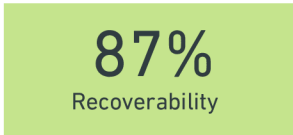
Monthly Billable Hours vs Total Hours





Recoverability

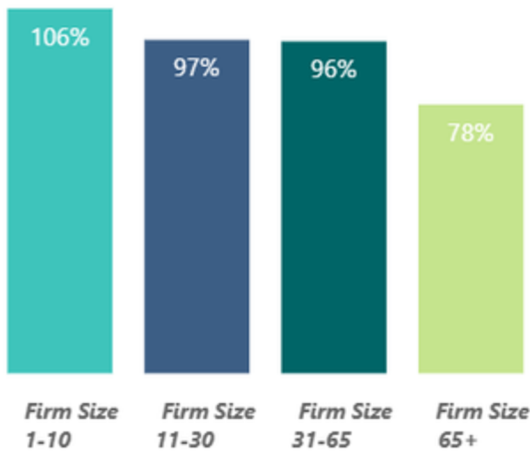
WIP Recoverability and Write Offs



Firms closed FY25 with an average recoverability of 87%, reflecting solid billing performance across the industry. While recoverability remains solid, the gap shows there is room to improve.

Firm Size 65+ Shows Lowest Recoverability at Just 78%

Recoverability

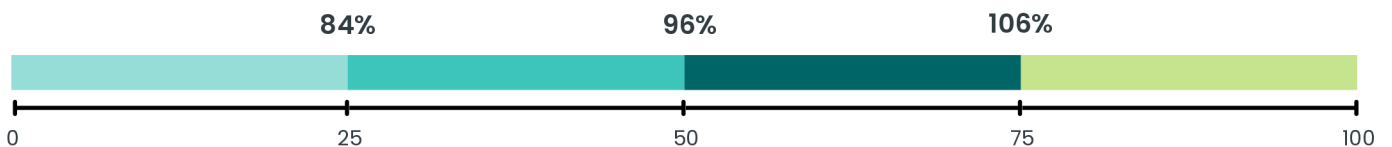


Smaller firms set the pace, recovering 106% of WIP by staying close to the work, scoping tightly, turning jobs around quickly, and billing confidently. Mid-sized firms followed with 97%, benefiting from some structure without being slowed down by too many layers. But as firms grow larger, complexity increases and recoverability drops, falling to just 78% in firms with 65 or more team members. This reflects that scale without strong systems and oversight can leave significant revenue behind.

Top-Quartile Firms Exceed 100% Recoverability, Signalling Better Scope Control and Billing Discipline

The top quartile reached 106% recoverability, billing more than their recorded WIP by maintaining tight scopes and disciplined billing practices. This shows that strong scoping, proactive job management, and timely billing can lead to consistent write-ons. The trend mirrors firm size patterns, with smaller firms leading on recoverability while larger firms saw more leakage. The message is clear: firms that stay close to the work and keep billing cycles tight are better at turning effort into revenue.

Avg Recoverability by Quartile



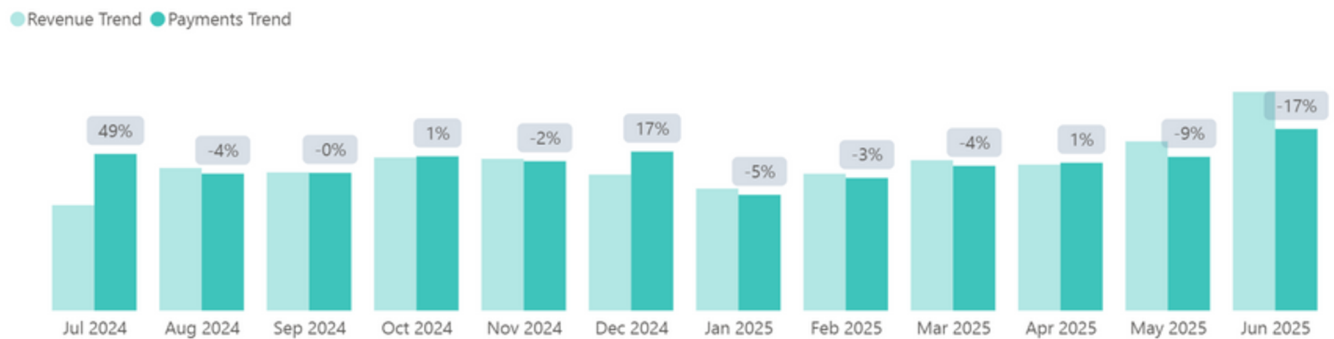


Debtors & Lockup

Despite Revenue Fluctuations, Payments are Flat

While revenue held steady toward the end of FY25, client payments remained relatively flat, only showing a noticeable uplift in June with a 17% spike. The growing gap between work completed and cash collected highlights increasing debtor days and potential cash flow strain. Firms that stay proactive in follow-ups and tighten their billing cycles will be better equipped to manage these seasonal slowdowns and ultimately protect profitability when it matters most.

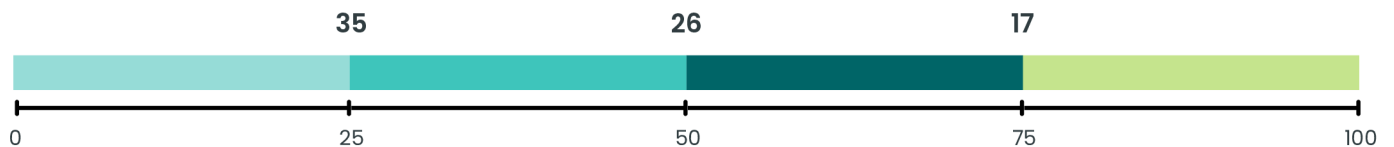
Revenue & Payments Monthly Trend



Debtor Day Gaps Stretch to Over Two Weeks Across Firms

Some firms are collecting in just 17 days, while others are waiting up to 35, creating a 18-day gap that puts real pressure on cash flow. With both the median and average sitting at 26 days, the data shows that many firms have room to tighten payment terms, follow up faster, and reclaim control over their working capital.

Debtor Days by Quartile

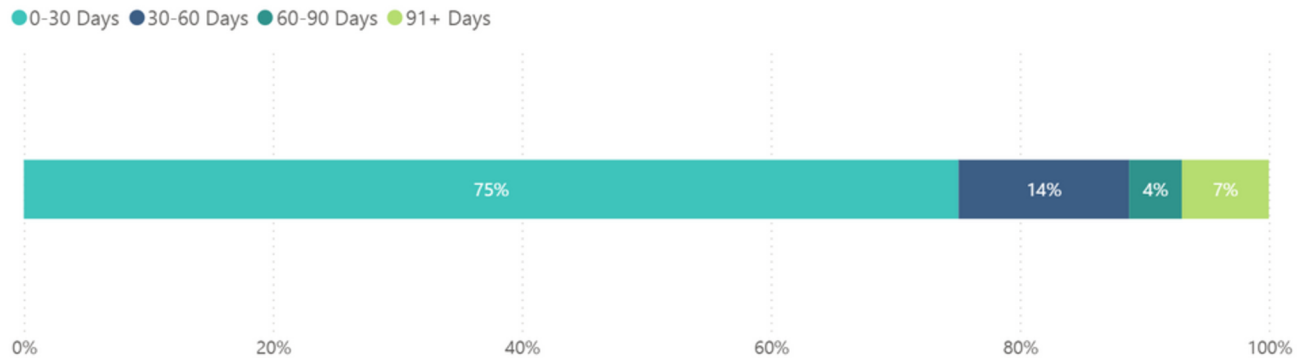




75% of Payments Collected Within 30 Days

Most firms collect payments on time, with 75% of invoices paid within 30 days. The remaining 25% are collected beyond 30 days, highlighting the importance of maintaining consistent debtor processes to protect cash flow and minimise delays.

Invoices Paid by 30 days



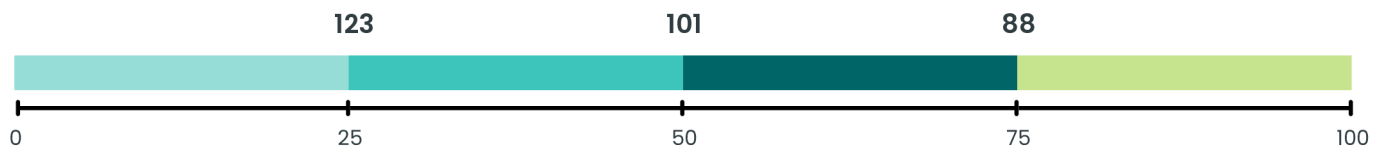
WIP Drives Lockup Delays More Than Clients Do

The average lockup of 113 days is driven largely by WIP (84 days), indicating that delays occur before invoicing rather than in client payments. If the bulk of WIP is reduced, lockup days could drop significantly. Streamlining internal processes like job turnaround and billing could help the firm reach the 75th percentile benchmark of 88 days.

Avg Lockup Days



Lockup Days by Quartile



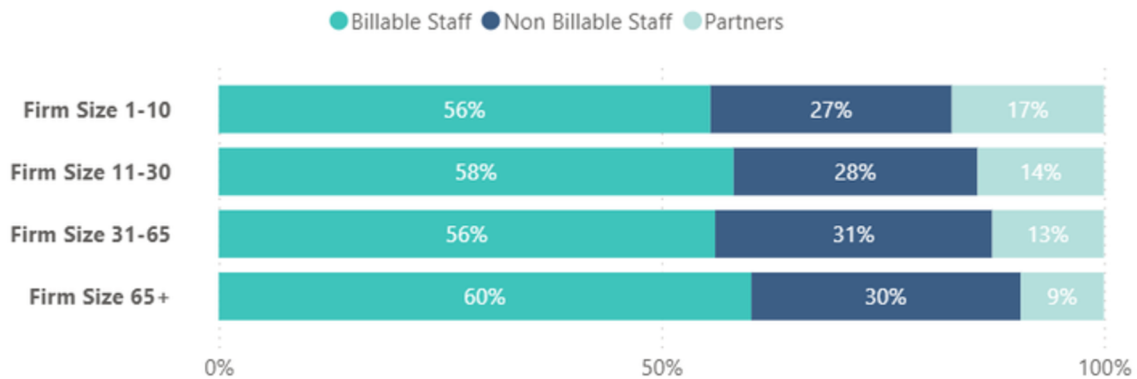


Staffing

Team Composition Shifts as Firms Scale

As firms grow, team structures shift—billable staff increase from 56% in firms with 1–10 people to 60% in those with 65+, while non-billable roles also rise slightly to support operations at scale. Partner roles consistently drop from 17% to 9%, showing a clear shift toward delegation as firms expand. However, firms in the 31–65 range break this trend, with billable staff dipping to 56% and non-billable roles rising sharply to 31%. This may reflect a transitional phase where firms are building operational capacity in anticipation of growth, creating a temporary imbalance in delivery.

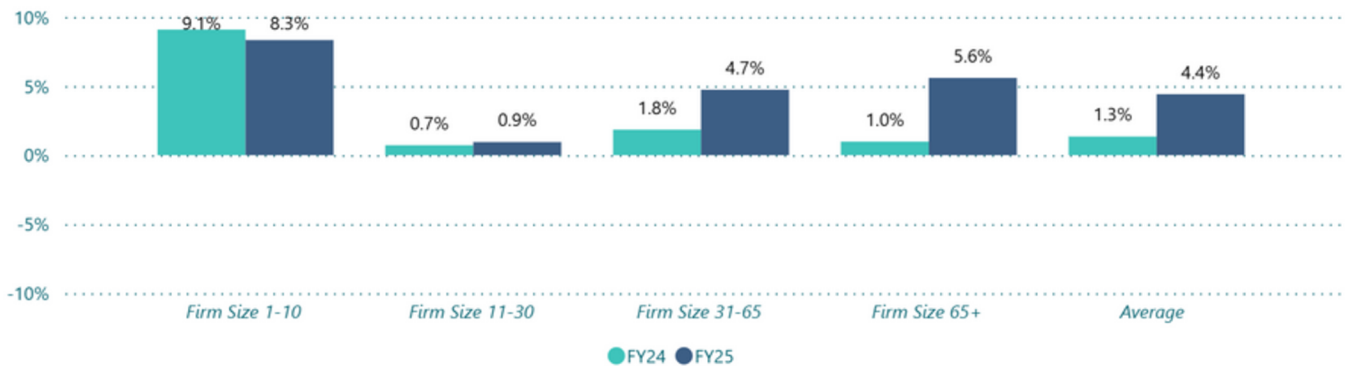
Staffing Distribution by Firm Size



Headcount Growth Strengthens in FY25

Overall headcount growth rose from 1.3% in FY24 to 4.4% in FY25, reflecting renewed momentum across the industry. The smallest cohort grew 8.3%, where even a few hires drive high percentage changes, while the largest recorded a meaningful lift in absolute headcount. Firms with 11–30 people recorded just 0.9% growth, up slightly from 0.7% in FY24, indicating a more stabilised phase of growth in expansion.

Headcount Growth





PART 2:

FY25 Data Correlations



Key correlations

How key firm functions and metrics correlate with each other

Understanding the interconnected nature of business metrics is essential for strategic, data-driven decision-making in accounting firms. Rather than viewing individual performance indicators in isolation, we conducted a comprehensive correlation analysis to systematically examine how different aspects of firm operations influence and relate to one another.

We gathered comprehensive data across multiple firm functions and performance metrics, then analysed all possible correlations within our dataset. Our analysis examined relationships between key firm functions including pricing strategies, staffing, technology investments, client management approaches, and operational metrics.

Data and insights from our supplementary survey conducted in July 2025 were also added in this section to complement and enrich key findings.

From this extensive examination of correlations across all variable pairs, we identified and highlighted the relationships that demonstrated the most significant connections in our data. These data-driven insights reveal meaningful patterns in how various firm functions interconnect, providing a comprehensive view of the operational and financial dynamics that drive firm success.

We believe these findings will help you see beyond individual metrics to understand the bigger picture of what drives firm performance. By exploring these correlations, you can better understand which business areas may have the most significant influence on firm success, and ultimately how different operational and financial strategies can create ripple effects throughout your business.



Revenue Growth Drivers

Higher Fees by Client Drives Strong Revenue Growth

Firms with higher average fees by client achieve stronger revenue growth, showing that value by client drives growth. Growth comes from deeper relationships, broader services and smarter pricing, not just more clients.

Avg Fee by Client vs Revenue Growth



More New Clients Lift Revenue When Firms Build on the Momentum

Bringing in more new clients is linked to stronger revenue growth, signalling the power of consistent client acquisition. The firms seeing the highest growth turn each new client into a long-term opportunity—deepening trust, expanding services and creating lasting value from the very first interaction.

Avg Client New Count vs Revenue Growth





Strong Retention Fuels Sustainable Client Growth

Firms holding onto more clients are growing faster overall. As retention improves, each new client adds to an already stable base—making growth steadier and easier to sustain. Fewer clients leaving means less pressure on acquisition and more room to grow through satisfied, loyal relationships.



i Survey data shows that 77% of firms met or exceeded their revenue goals for FY25. While for FY26, 40% are aiming to grow by more than 10%, a sharp rise from the industry’s 6% actual growth in FY25, showing a strong desire to outperform the overall benchmark.

Similar to the FY24 responses, top growth drivers remain new client acquisition, price increases, and more service offerings.

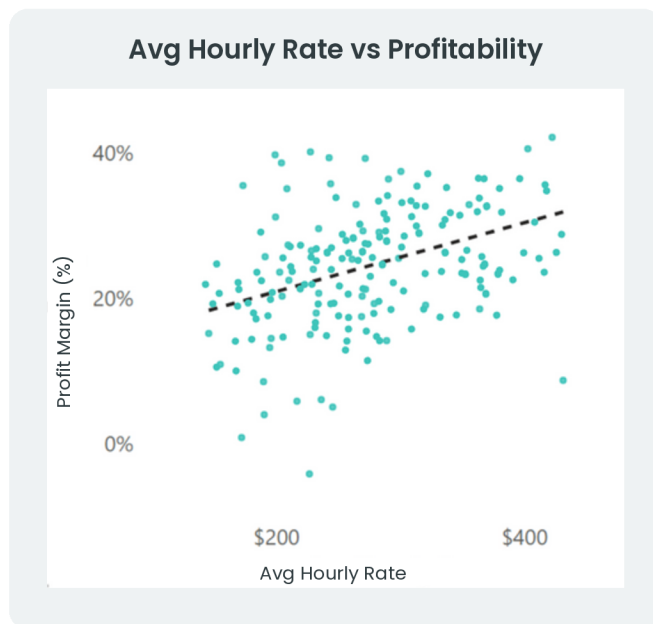
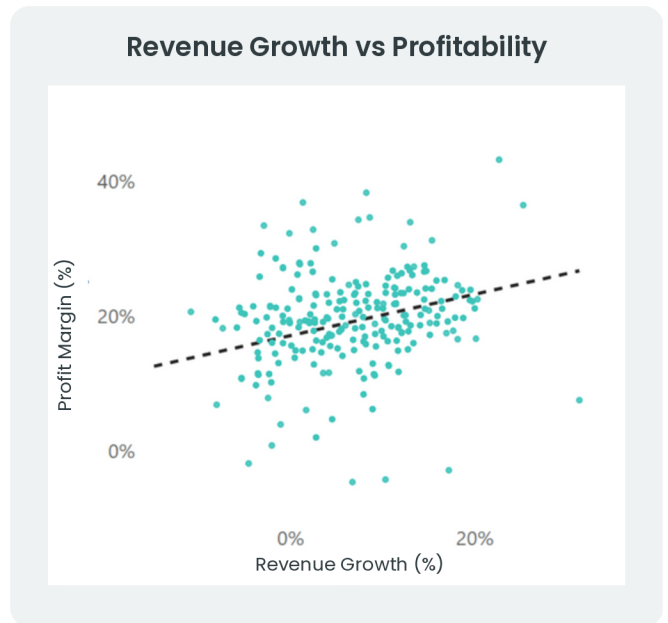
Still, 26% of firms are also focused on optimisation of the firm in areas such as team efficiency, employee retention, or reducing write offs, over just revenue growth. Over half of respondents are open to M&A activity within the next 12 months.



Profitability Drivers

Profit Follows Growth When Firms Scale with Discipline

Revenue growth is linked to higher profitability, yet not all growing firms achieve strong margins. The firms converting growth into profit are those that scale with intention, managing costs, pricing confidently, and delivering efficiently as they expand.



Higher Rates Reflect Value and Drive Profit When Matched with Performance

As average hourly rates increase, so can profitability, but high margins are still possible at lower Average Hourly Rates. As seen in the graph, firms with lower hourly rates still achieve strong margins, highlighting the impact of strong cost control and efficient delivery.

i FY24 survey responses indicated that 21% of firms planned to increase hourly rates by 1-5% while 60% of firms planned to increase hourly rates by 5-10% for FY25. This aligns with the FY25 average rise in average hourly rate of 5.5%.

For FY26, firms are taking a more conservative approach where 54% are aiming for a 1-5% increase, and only 26% plan to raise rates by 6-10%.



Productivity Supports Profit When Backed With Strong Pricing and Control

Higher productivity is linked to stronger profitability, showing the value of efficient teams that generate more revenue by hour worked. The most profitable outcomes come when that efficiency is matched with confident pricing, tight cost control and a clear focus on high-value work.



Higher client retention Leads to Stronger, More Sustainable Profit

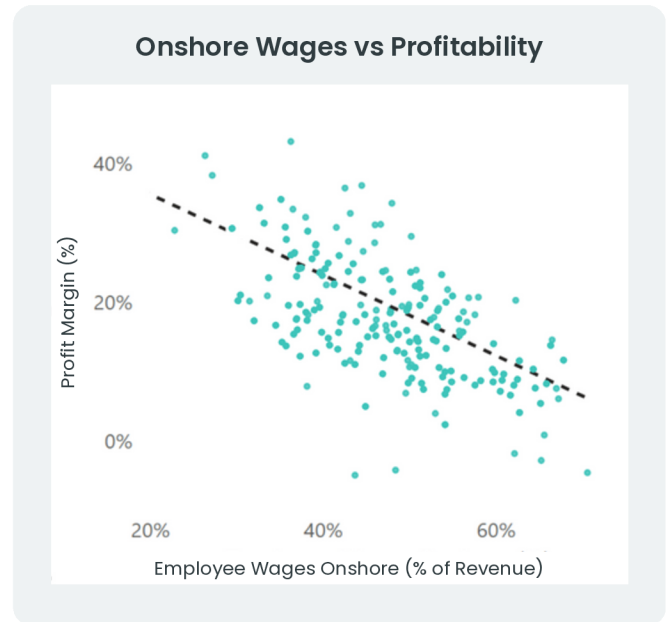
Holding onto clients isn't just good for stability, it's a clear driver of profitability. Strong retention reduces acquisition costs, supports steady revenue, and creates space for deeper, more efficient service delivery. The strongest margins come from firms that invest in long-term relationships over short-term wins.

i Survey data shows 66% of respondents met or exceeded their FY25 profitability goals, with over a third surpassing these goals by more than 20%, while most of those who didn't meet their profitability goal were only short by under 1-10%.



Onshore Wages are Typically Accounting Firm's Biggest Cost

A clear inverse relationship between onshore wages as a percentage of revenue and profitability shows that higher local payroll costs can tighten margins. To shift the trend upward, firms need to match onshore investment with strong pricing, efficient delivery and a focus on high-value outcomes that justify the cost.



i FY24 survey results showed 60% of firms were looking to increase headcount. The range of respondents seemed to align with a 4.4% average headcount growth for FY25.

The FY25 survey results showed 70% of firms are looking to grow headcount, which indicates an even higher increase may be forecasted for FY26.

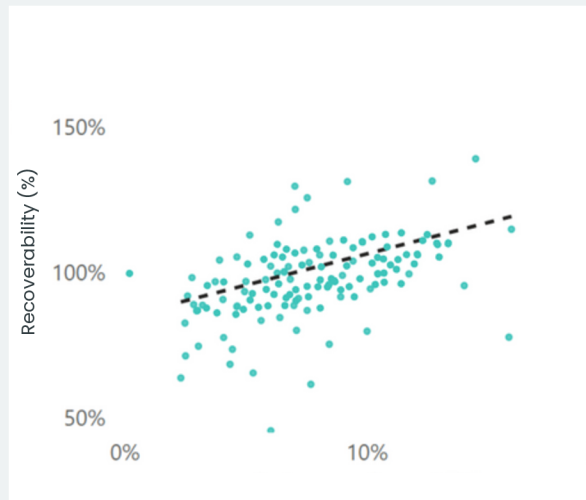


Technology Integration

Software Spend Supports Recoverability When Aligned with Workflow

Spending more on software is paying off for firms that know how to use it. Those seeing the strongest recoverability gains are embedding their tools into everyday workflows, capturing more time, reducing write-offs, and improving billing accuracy without adding admin burden.

Software Spend vs Recoverability



Software Spend vs Avg Hourly Rate



Higher Hourly Rates Linked to Smarter Software Investment

Firms that align software spend with value delivery, by improving workflows, automating admin, or enhancing client experience, are more likely to charge and justify higher rates. It's not about spending more, but about using software to elevate how work is delivered.



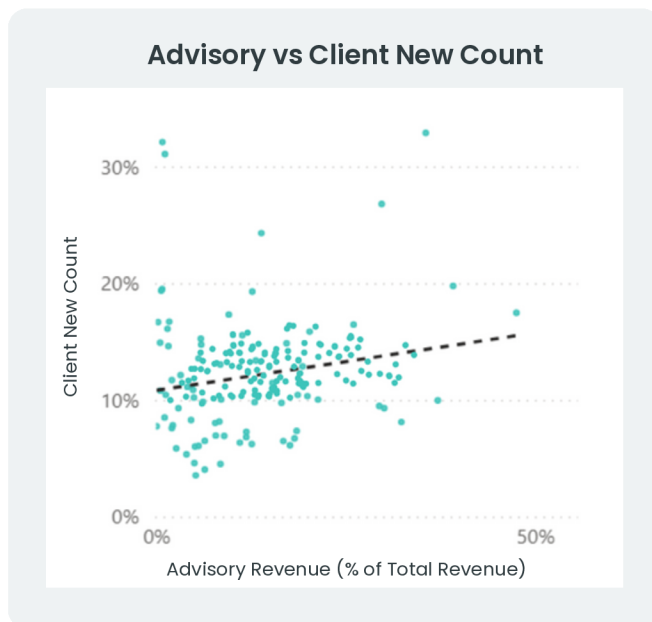
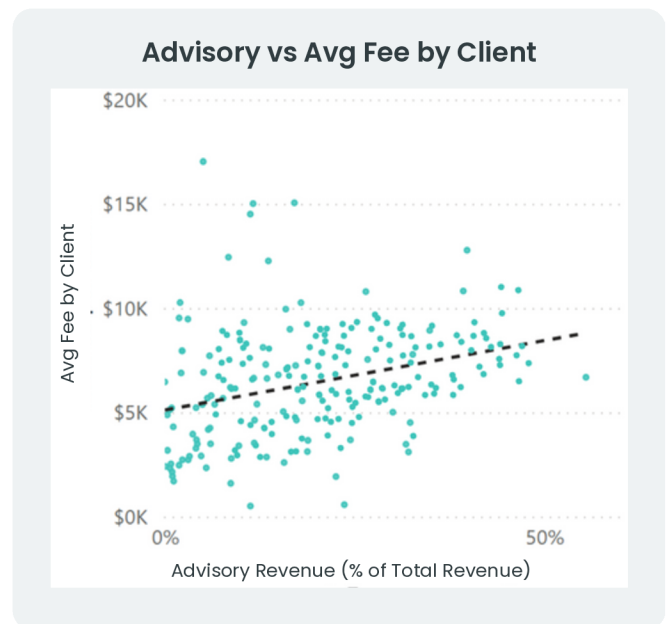
Service Mix Optimisation

i Survey data shows that 57% of the respondents have a goal to increase their existing services being offered to established clients to achieve revenue growth. This increase in breadth of services, rather than new client growth, seems consistent with what drove the higher performing firms in FY25.

ADVISORY SERVICES CORRELATIONS

Advisory Services Are Driving Premium Pricing

Shifting toward advisory work is helping firms command higher fees by client. It's not just about offering more services, it's about delivering insights that matter, solving complex problems, and building the kind of trust that clients are willing to pay a premium for.



Advisory Services Strengthen Market Appeal

Advisory offerings are helping firms stand out in a crowded market. Those leading with strategic insight are attracting more new clients by showing up as problem-solvers, not just service providers. They create early impact, build trust quickly and set the tone for long-term partnerships.



COMPLIANCE SERVICES

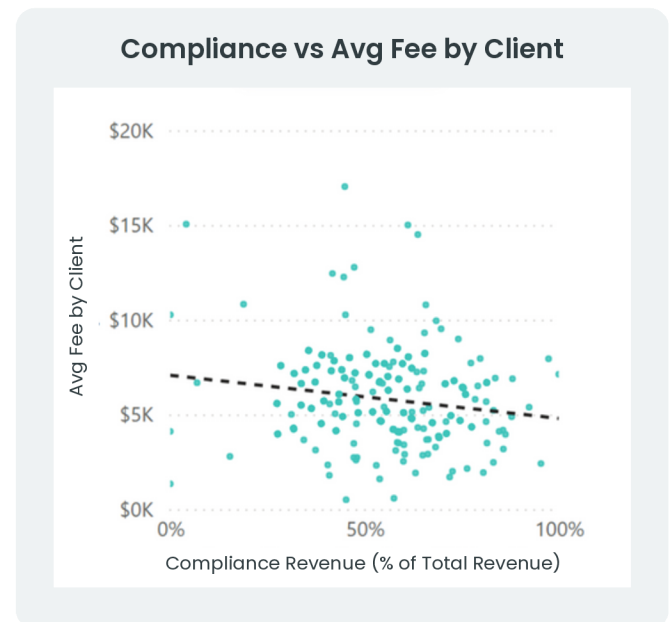
High Compliance Focus May Be Limiting Recoverability

As firms lean heavily on compliance services, many are finding it harder to maintain strong recoverability. Fixed fees, under-scoped tasks and time-consuming routines can quietly chip away at margins. The firms staying ahead are setting clear boundaries, investing in automation and balancing their work with services that deliver higher value and billing efficiency.



Higher Client Fees Start with a Broader Service Mix

Relying solely on compliance work often keeps fees flat, even as client expectations grow. The firms lifting their average fee by client are expanding their role, offering deeper advice, strategic guidance and tailored insights that clients truly value. When the service mix grows, so does the willingness to invest.

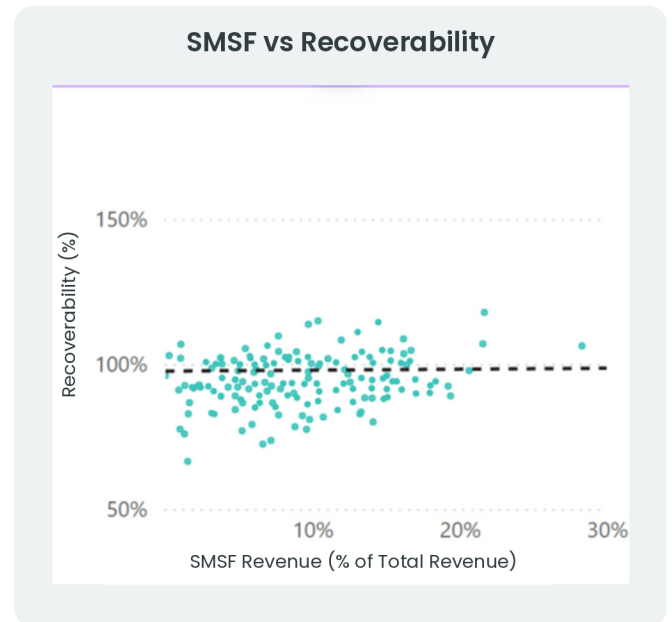




SMSF SERVICES

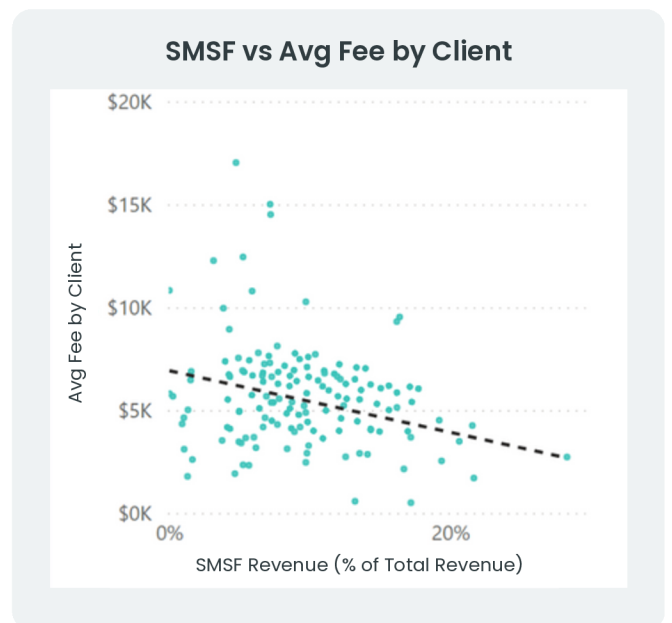
SMSF Services Deliver Steady Recoverability with the Right Foundations

SMSF work continues to hold its ground when it comes to recoverability. The firms delivering it well have built strong systems, trained specialist teams and earned long-term client trust. Firms delivering SMSF seem to poorly cost themselves significant recoverability.



More SMSF Work Can Mean Lower Fees if Pricing Isn't Protected

Firms doing a lot of SMSF work are often seeing average fees by client decline. Firms with a lower percentage of fees generated from SMSF appear to be including these services as part of a full service package for their clients.



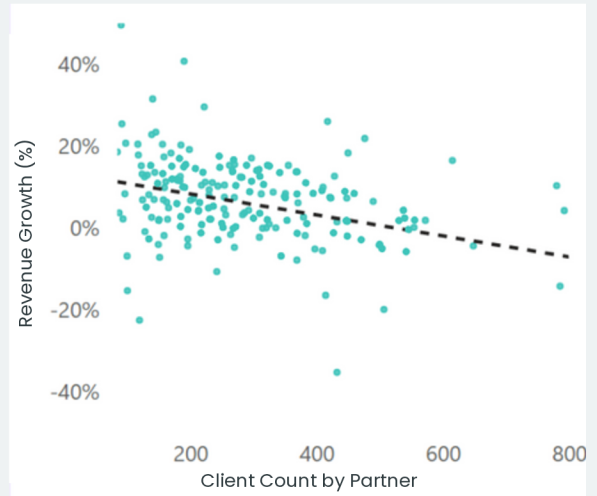


Partner Involvement Impact

Fewer Clients by Partner Drive Stronger Revenue Growth

Growth doesn't always come from taking on more clients. The data shows that firms where partners handle fewer relationships are growing faster, not slower. With more time to focus, partners can strengthen client connections, uncover opportunities, and deliver higher-value work — proving that fewer, well-served clients can fuel more sustainable revenue growth than spreading capacity too thin.

Client Count by Partner vs Revenue Growth



Avg Fee by Partner vs Ave Fee by Client



Lifting Client Value Boosts Partner Revenue

Partners working with fewer but higher-value clients are achieving stronger revenue results. The data shows a clear link between higher average fees by client and greater revenue by partner. Rather than chasing volume, these firms are building deeper client relationships, delivering more impactful services, and reaping the financial rewards of that focused approach.

i Survey data shows 89% of respondents said all or most partners are still actively involved in client work, reflecting the industry's traditional approach to the partner role, along with demonstrating key person reliance.



PART 3:

FY25 Benchmarking Data by Firm Size



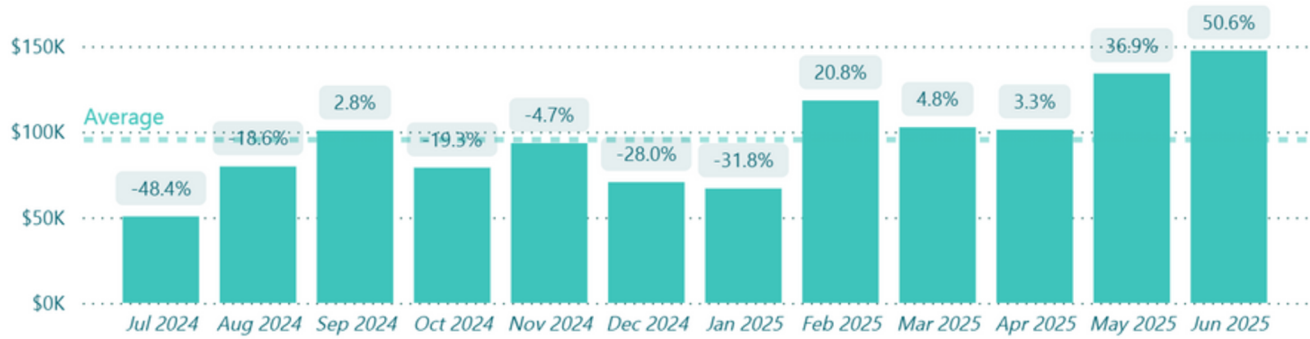
PART 3:

Firm Size 1-10



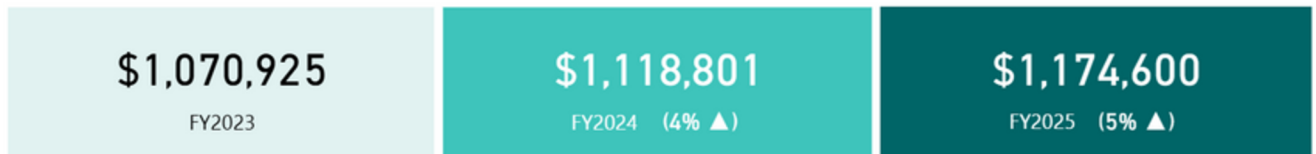
Revenue

Monthly Revenue Trend



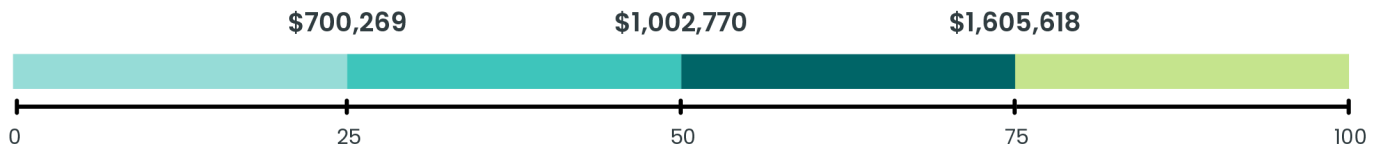
- Revenue in July 2024 dropped to nearly half the average, reflecting the broader industry trend of building WIP before billing.
- By June 2025, revenue surged 50.6% above average, showing that small firms, when focused, can quickly shift gears and outperform through agility and strong billing momentum.

Revenue from FY23 to FY25



- Revenue rose by 4% from FY23 to FY24, followed by another 5% increase in FY25, despite ongoing global uncertainty, including inflation, interest rate shifts, and trade tensions.
- Firms showed resilience through labour shortages and delivery challenges, supported by stable client demand and improved team capacity.

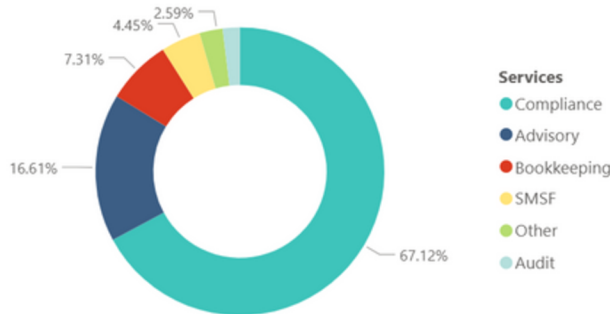
Revenue by Quartile



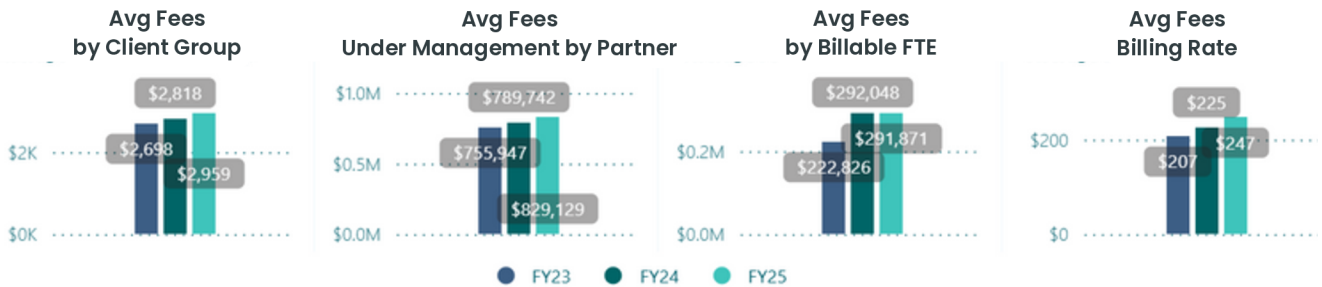
- In the 25th percentile, firms earned just over \$700K, while others in the same size bracket reached beyond \$1.6M, more than double the revenue, showing that even with a small team, strong strategy and focus can drive big results.



Services Breakdown



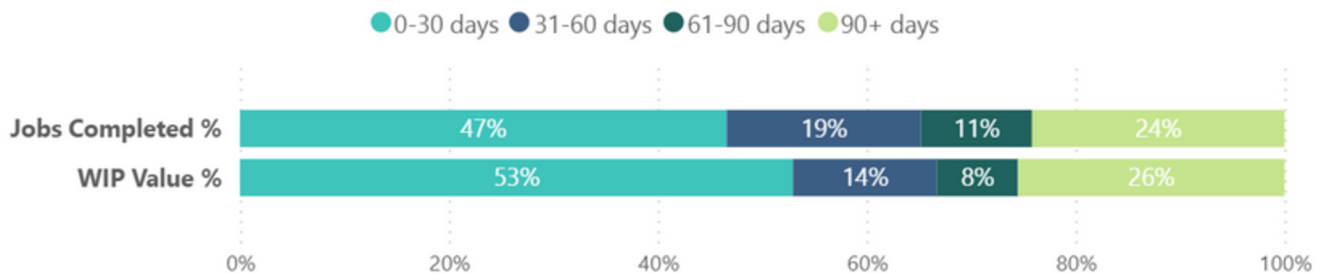
- Compliance has long been the backbone for small firms, now growing to nearly 67.12%, solidifying its role as the core offering for small firms.
- Advisory is starting to make its mark, hinting at a quiet but steady move toward more strategic offerings.



- As firms deepened client relationships and packaged services more effectively, fees by client group and by partner rose despite stable billing rates, showing a stronger focus on value over volume.
- Fees by billable FTE dropped, confirming capacity constraints and a clear shift toward senior staff handling high-value work.

Job & WIP

Jobs Completed % vs WIP Value %



- 26% of WIP value is tied up in jobs over 90 days, highlighting a clear struggle with completing some jobs and clearing Aged WIP.

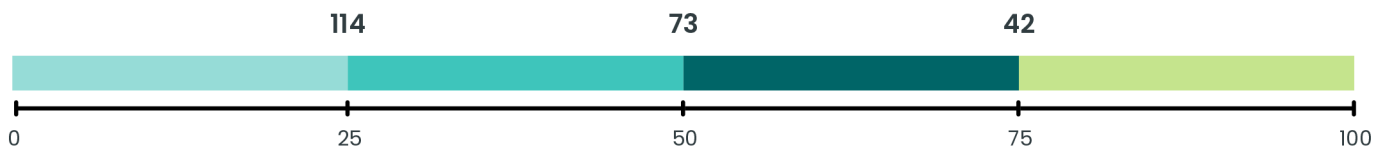


Job Turnaround Times and WIP Management Breakdown



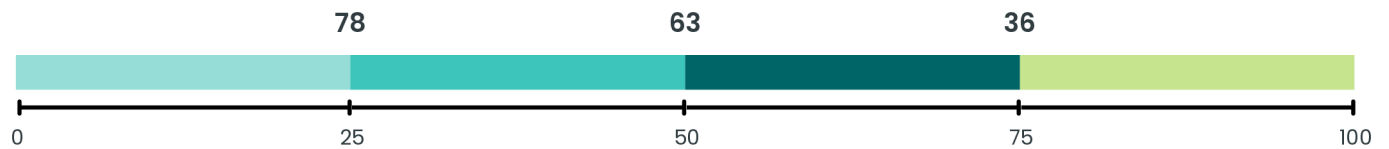
- The overall averages, 79 days for job completion and 70 days for billing, reflect ongoing challenges with more complex or delayed work.
- These figures are nearly double the typical 30–45 day target, highlighting a key area for improvement in managing longer-running jobs and billing cycles.

Avg Job Turnaround by Quartile



- The top quartile firms complete jobs in just 42 days, well within the typical target of firms, demonstrating that efficient turnaround is achievable with streamlined workflows.
- However, half of the firms in this cohort have Job Turnaround of 73 days above, highlighting a major opportunity for firms sized 1-10 to improve turnaround times and unlock faster billing.

Avg WIP Days by Quartile



- The top quartile firms clear WIP in just 36 days, showing that faster billing within a month is possible with focused workflows and timely follow-up.
- In contrast, many firms are still taking over 63 days, highlighting a key opportunity to speed up billing and improve cash flow.

Timesheets & Productivity

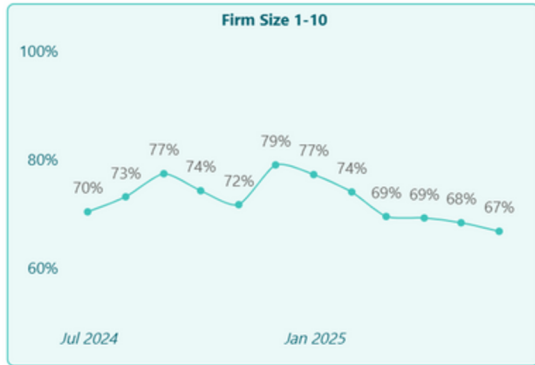
Timesheet Hours Productivity



- Small firms logged an average of 7,493 hours in FY25, with 72% classified as billable, showing that most time is spent on client work.
- There's still room to improve by reducing admin tasks, tightening time tracking, and aligning roles more closely to billable delivery.

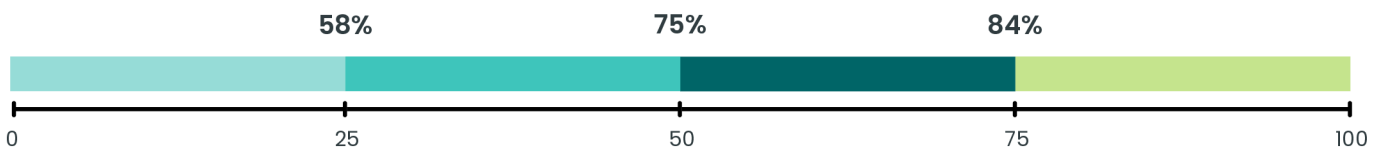


Monthly Productivity Trend



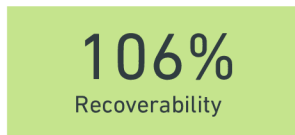
- Productivity steadily climbed to 79% by December as small firms pushed to meet year-end goals and clear client work before the holiday break.
- From March onwards, productivity declined to 67% as teams faced capacity strain, shifted focus to more complex jobs, and spent more time on non-billable tasks such as admin, planning, and internal priorities.

Productivity by Quartile



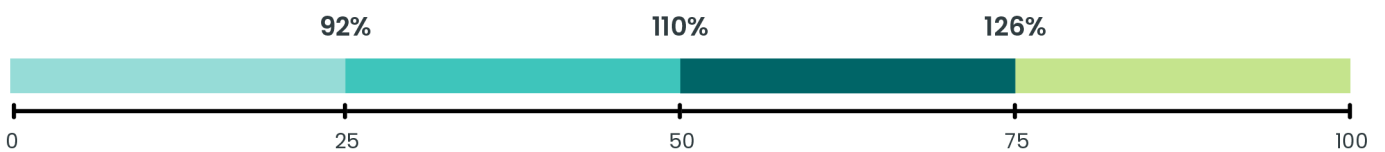
- While the 50th percentile in this cohort is at 75%, the bottom quartile are operating at under 58%, meaning nearly half their time isn't billable, highlighting clear issues with efficiency and role alignment.
- In contrast, the top quartile reach up to 84%, showing that with tighter processes, reduced admin, and sharper focus on client delivery, higher productivity is well within reach.

Recoverability



Recoverability sits at 106%, showing that firms in this cohort are not just covering their costs but turning work into profit through write-ons and efficient delivery.

Recoverability by Quartile

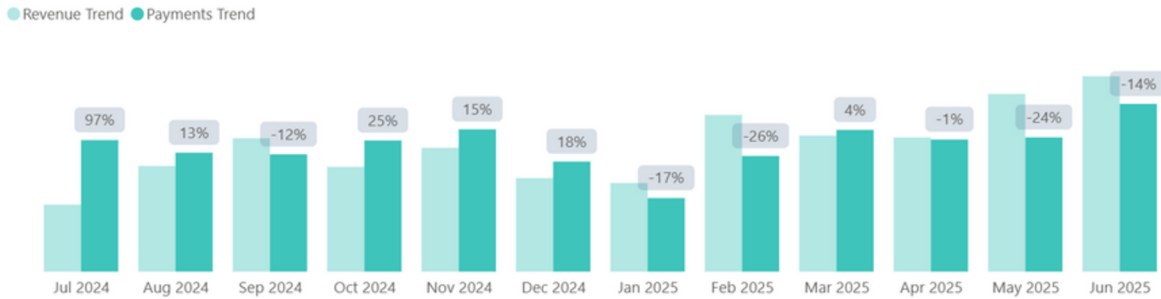


- More than half of the firms in this cohort are achieving over 110% recoverability, showing that the firms are not just covering costs but consistently adding value.
- Even at 92%, the lowest quartile is close behind, and with a bit more focus on pricing and delivery, reaching 100% is well within reach.



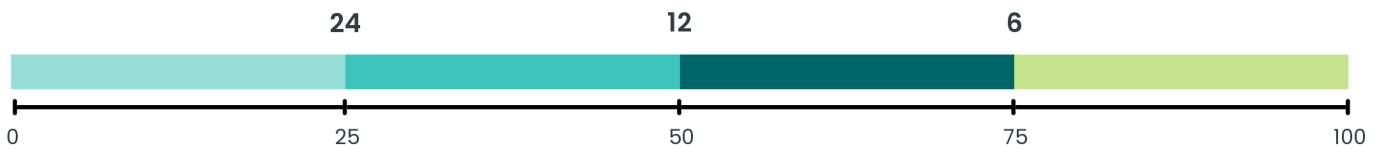
Debtors & Lockup

Revenue vs Payments Trends



- Firms in this cohort showed seasonal swings, with strong payments in July, October, and November, and slower collections in January, February, and year-end months as billing outpaced cash inflow.

Debtor Days by Quartile

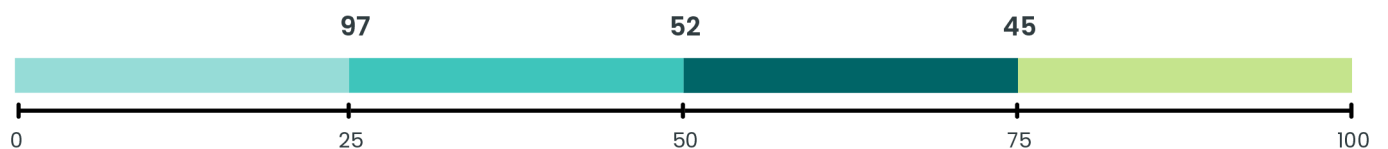


- Firms in this cohort are outperforming the industry in debtor management, with top quartile firms collecting in just 6 days compared to 17 days across the industry.
- Even the bottom quartile sits at 24 days, which is still ahead of the industry's 35-day bottom quartile, showing that small firms are generally faster and more consistent in getting paid.

Avg Lockup Days



Lockup Days by Quartile



- Lockup days average 87, nearly 3 months, driven mostly by 70 WIP days, highlighting delays between completing work and issuing invoices.
- Meanwhile, half of the firms sit above 52 days, with the lowest quartile reaching 97 days, signalling a strong opportunity to tighten billing and WIP processes.



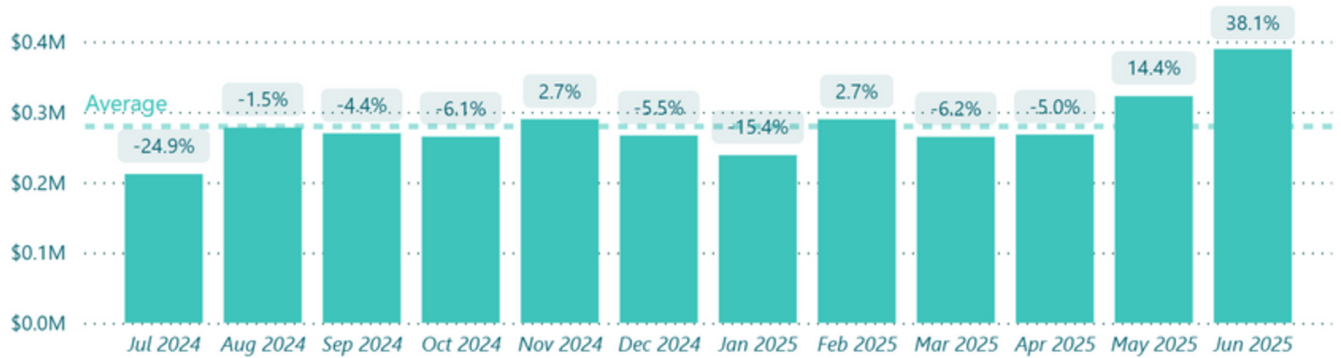
PART 3:

Firm Size 11-30



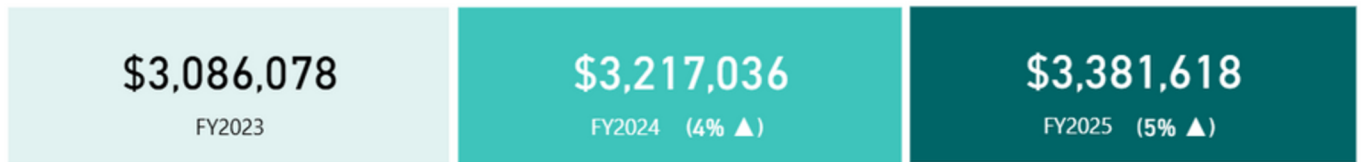
Revenue

Monthly Revenue Trend



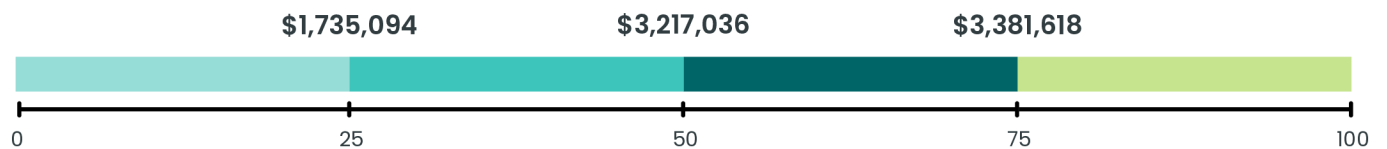
- Revenue stayed below average for most of the year, with significant drops in July and January, suggesting firms in this cohort took time to build WIP or recover from holiday slowdowns.
- By June 2025, revenue surged 38.1% above average, showing that once momentum builds, this cohort is capable of a strong finish through focused billing.

Revenue from FY23 to FY25



- A steady year-on-year growth was driven by improved billing practices, stronger client relationships, and expanded or enhanced service offerings.

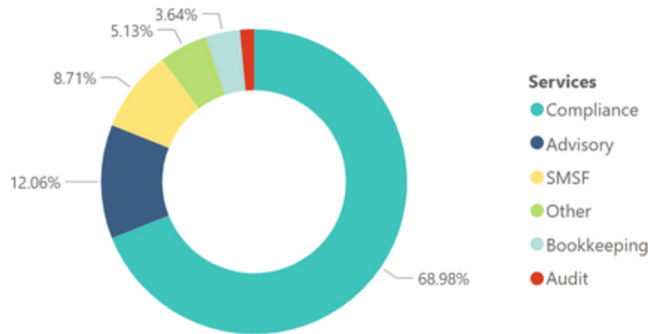
Revenue by Quartile



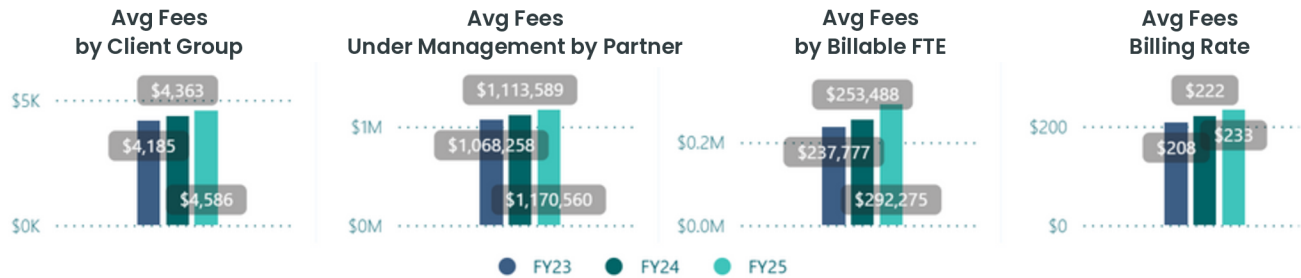
- Firms in this cohort showed a wide spread in revenue performance, with some firms earning over twice as much as others—pointing to differences in scale, efficiency, or service mix.
- While many firms have surpassed the \$3M mark, the large gap between the 25th and 50th percentiles suggests that firms in the lower quartile have room to catch up by improving delivery, pricing, or client retention.



Services Breakdown



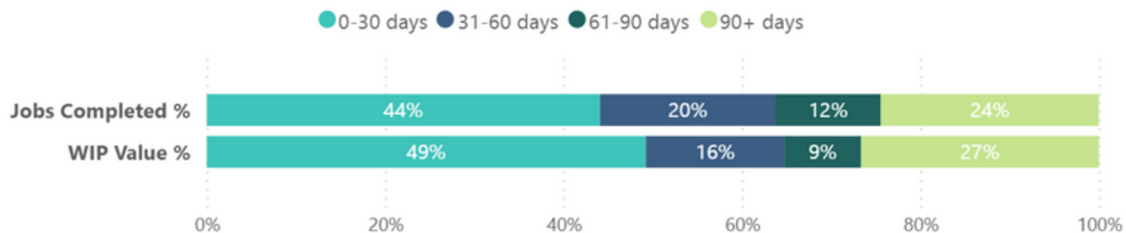
- Similar to smaller firms, firms in this cohort show a strong focus on compliance, with 68.98% of services falling under this category, making it their dominant offering.
- Advisory and SMSF services follow closely behind, suggesting these firms are beginning to diversify while still leaning heavily on core compliance work.



- Firms in the 11-30 size range saw strong growth across all metrics indicating improved pricing strategies, better team efficiency, and stronger partner leverage.
- The trend reflects that this cohort are expanding their teams and lifting billing rates, driven by broader service offerings and growing client demand.

Job & WIP

Jobs Completed % vs WIP Value %



- Firms in this cohort complete 44% of jobs and bill 49% of WIP within 30 days, showing a decent pace in managing short-term work.
- However, with 27% of WIP value sitting in jobs over 90 days, there's a clear need to improve the turnaround of longer-running work.

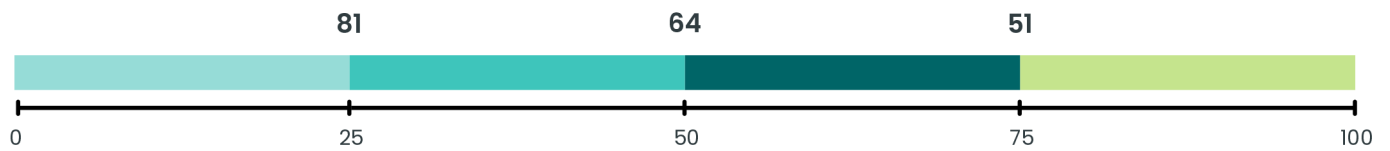


Job Turnaround Times and WIP Management Breakdown



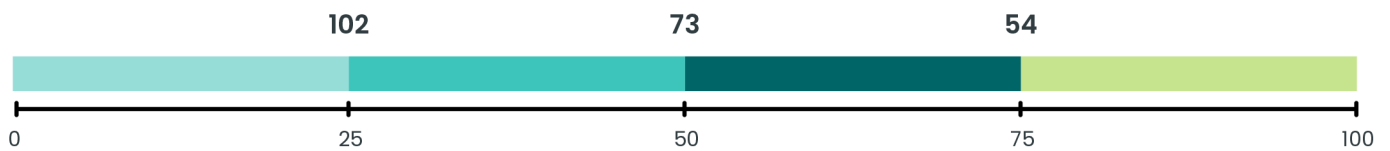
- With average job turnaround at 68 days and WIP taking 86 days to bill, firms in this cohort are well above the typical target goal, pointing to clear room for process improvement and faster delivery.

Job Turnaround by Quartile



- This cohort completed jobs from 64 days on the median to 81+ days for the bottom quartile, and even the top quartile at 51 days falls short of the target set by many firms.
- The complexity and volume of compliance work, combined with workflow issues, capacity limits, and client delays, are likely driving these extended timelines.

WIP Days by Quartile



- WIP days closely mirror job turnaround times, with most firms in this cohort sitting above 70 days, indicating that delays in completing work directly impact how long it takes to bill.
- Even the top quartile holds WIP for 54 days, suggesting room for improvement in both completing and billing jobs more efficiently.

Timesheets & Productivity

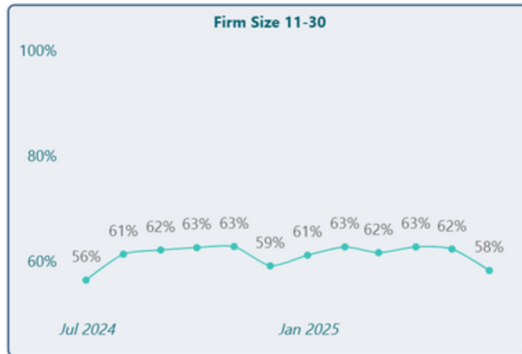
Timesheet Hours Productivity



- With 61% productivity, 39% of capacity is spent on non-billable work like admin, internal meetings, or poorly scoped jobs. Even a small lift in productivity could drive meaningful revenue gains without adding headcount.

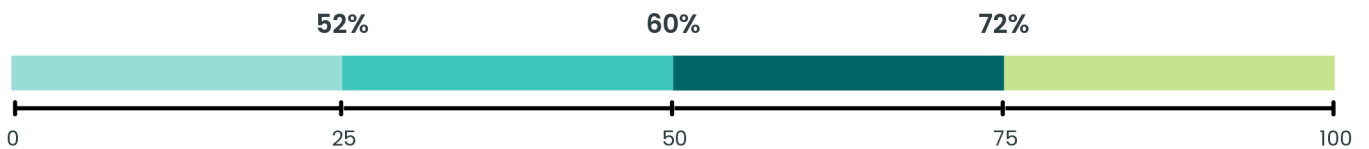


Monthly Productivity Trend



- Productivity held steady around 61–63% for most of the year, forming a relatively flat line that peaked at 63%, before dipping to 58% by June 2025.
- The year-end drop reflects increased admin, review work, or finalisation tasks that fall outside billable hours.

Productivity by Quartile



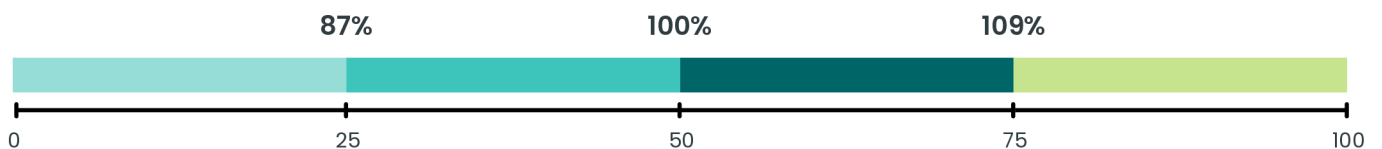
- The 50th percentile sits at 60% average, showing a common productivity level among most firms.
- In contrast, the top quartile reaches 72%, setting a strong benchmark, while the bottom quartile at 52% reveals a clear gap, highlighting the need to tackle inefficiencies or reduce non-billable time.

Recoverability

97%
Recoverability

Firms in this cohort are effectively billing and collecting for nearly all their work—showing strong pricing, scoping, and client communication practices that ensure time spent translates into revenue.

Recoverability by Quartile

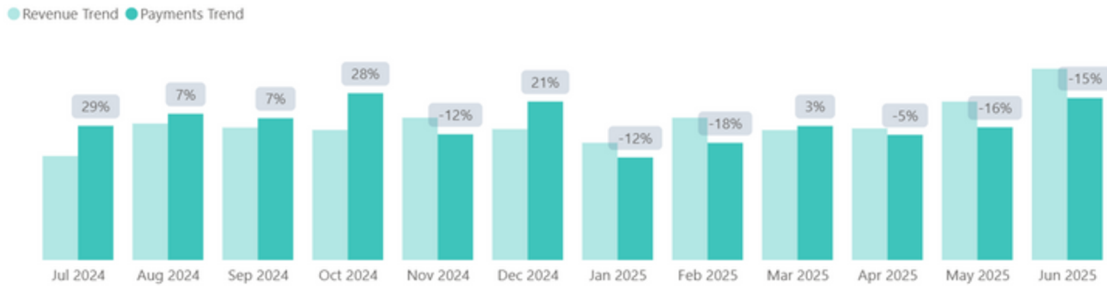


- With a median recoverability of 100%, half the firms are billing in full for time spent, a strong sign of effective scoping and pricing.
- The top quartile exceeds 109%, reflecting value-based pricing or strong fixed-fee efficiency, while the bottom quartile at 87% is still healthy but shows room to tighten scope control and reduce write-offs.



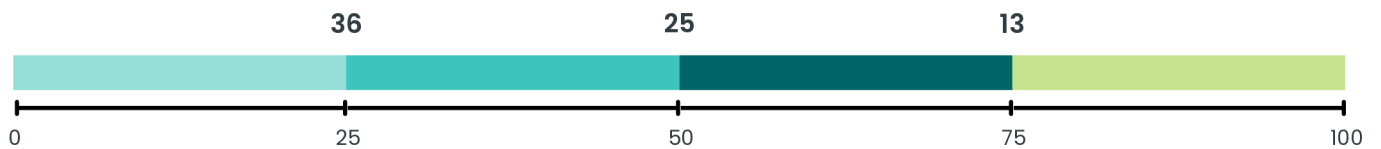
Debtors & Lockup

Revenue vs Payments Trends



- Payments mostly aligned with revenue from August to October and again in March, reflecting periods of healthy cash flow.
- Negative gaps appeared in November, January, February, April, May, and June, where payments lagged behind revenue, indicating possible delays in collections or rising debtor balances.

Debtor Days by Quartile

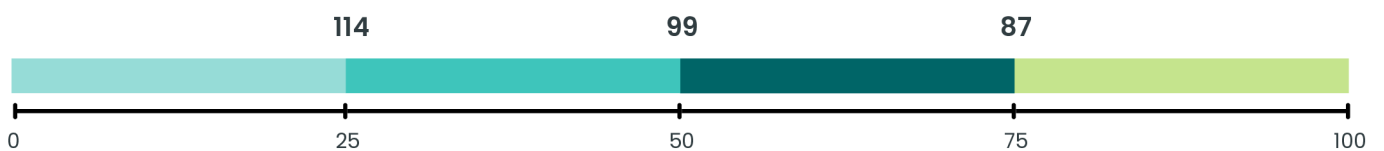


- Debtor days across all quartiles fall within a healthy range, showing that firms are generally on top of collections.
- With the top quartile achieving payment in just 13 days, it's clear that two-week turnaround is a realistic goal for firms looking to accelerate cash flow.

Avg Lockup Days



Lockup Days by Quartile



- Lockup Days average 115, driven by prolonged WIP Days at 86 and Debtor Days at 29, pointing to delays in both invoicing and collections.
- The average is pulled up by a subset of firms that sit above 114 lockup days at the 25th percentile. Compared to smaller firms, the bottom quartile in this group takes an extra month to convert work into cash, suggesting that increased complexity may be slowing down cash flow.



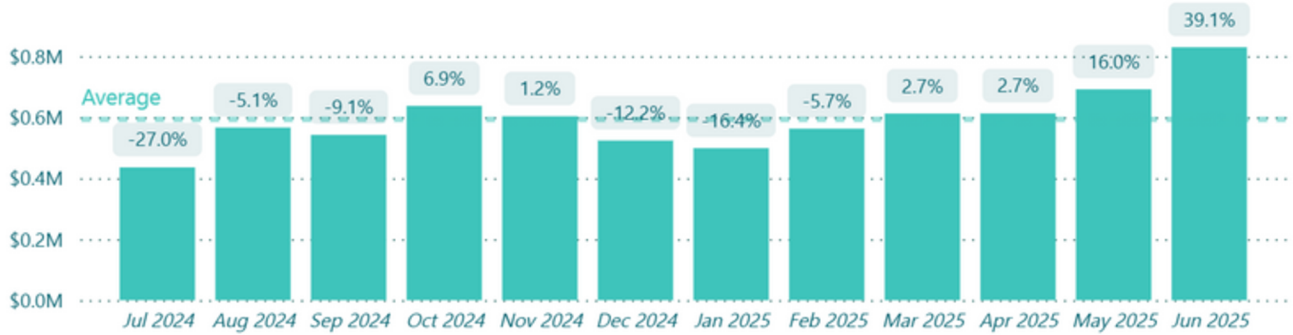
PART 3:

Firm Size 31-65



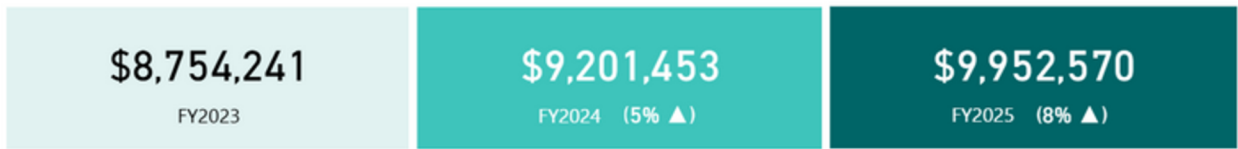
Revenue

Monthly Revenue Trend



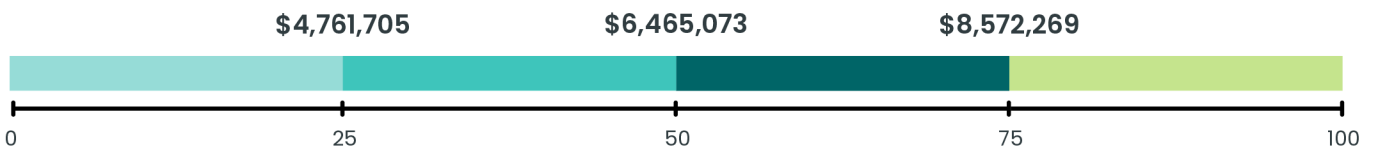
- Firms in this cohort showed a longer build-up phase, taking 8 months to ramp up before revenue gains picked up, compared to the industry trend of 7 months building and 5 months billing.
- While the year started with a steep -27% dip in July, a gradual recovery followed, until a drop in Dec-Jan slowed momentum due to holiday disruptions, reduced client activity, and slower internal processing. Revenue then surged in the final quarter, with June finishing 39.1% above average.

Revenue from FY23 to FY25



- Revenue reached \$9.95M in FY25, an 8% increase from FY24. This growth is notably strong compared to other firm sizes.
- The uplift was driven by expanded service offerings, increased capacity, and the scale advantages of this cohort, enabling them to capture more opportunities and generate higher billings.

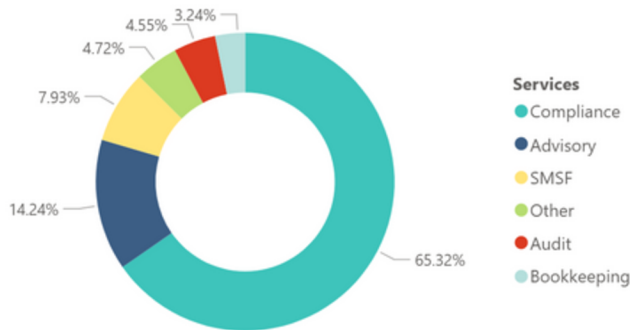
Revenue by Quartile



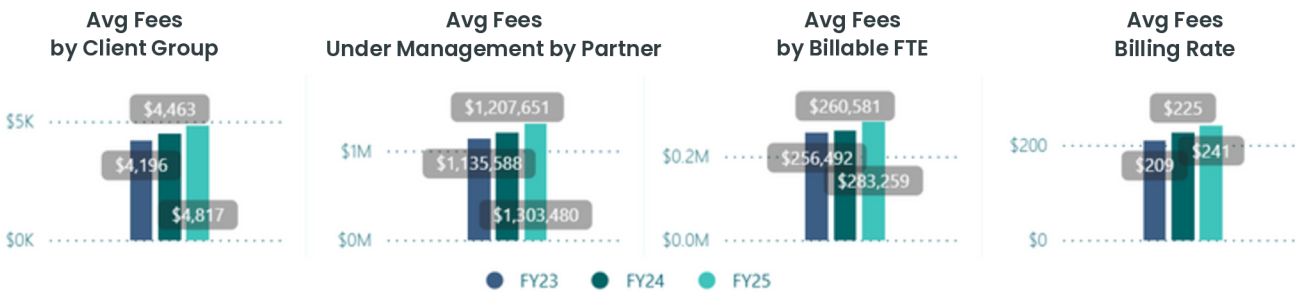
- The revenue gap across quartiles is striking. Firms in the top quartile earned over \$8M, while firms at the bottom quartile earned below \$4M despite operating in the same size bracket.
- This highlights how scale alone doesn't drive revenue, operational maturity, service mix, and pricing strategy play a huge role.



Services Breakdown



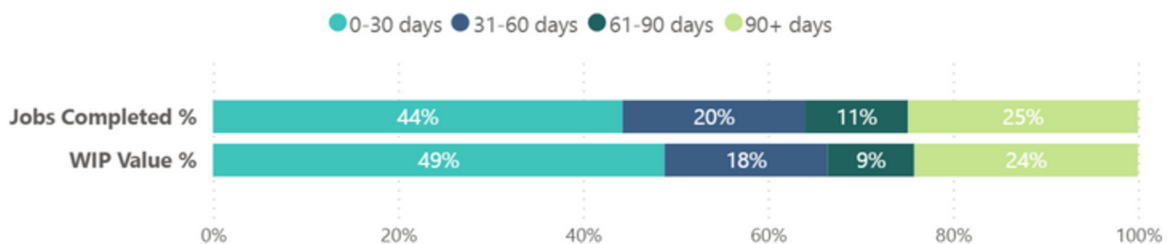
- Compliance remains the dominant service at 65.32%, holding its lead across all firm sizes.
- Firms in this cohort, however, demonstrates a more diversified mix—Advisory (14.24%), SMSF, Audit, and Bookkeeping are more actively utilised compared to smaller-sized firms.



- An increase across all metrics shows that these firms are scaling efficiently, with higher fees and billing rates reflecting stronger leverage, larger client bases, and the addition of higher-value services.

Job & WIP

Jobs Completed % vs WIP Value %



- 44% of jobs are completed within 30 days, with WIP slightly stronger at 49%, a solid pace, but still room to lift turnaround speed.
- Half of jobs and WIP sit beyond 30 days, with 31-60 and 90+ day segments each making up 20-25%, a significant portion that needs focus, especially the 90+ day jobs where ageing increases the risk of write-offs.

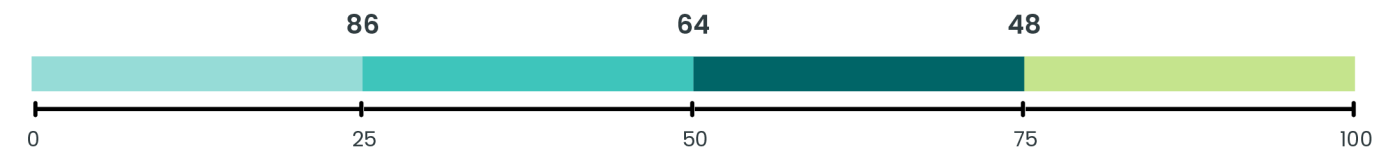


Job Turnaround Times and WIP Management Breakdown



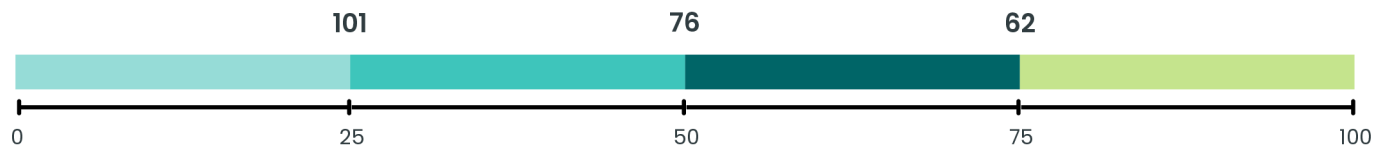
- Job turnaround averages 74 days and WIP sits at 82 days, both nearly double the 30–45 day target, signalling delays in delivery and billing. Addressing these gaps could significantly improve job flow, cash collection, and overall efficiency.

Job Turnaround by Quartile



- Firms in the top quartile complete jobs in 48 days while the bottom quartile averages 86 days, nearly double the top quartile. This indicates significant room to improve workflow efficiency and reduce delays.

WIP Days by Quartile



- WIP days range from less than 62 at top quartile to above 101 at bottom quartile, delaying revenue by 2–3 months, slowing cash flow, and increasing the risk of write-offs.
- Progressive billing through milestone invoicing can help shorten WIP duration, improve cash flow predictability, and prevent ageing work from turning into write offs.

Timesheets & Productivity

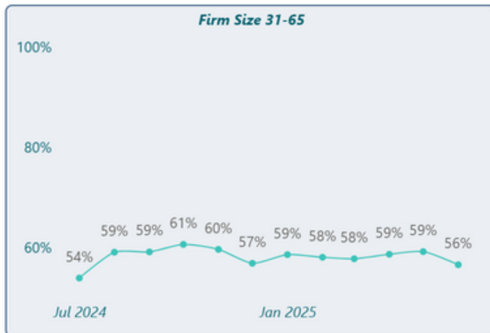
Timesheet Hours Productivity



- The 58% productivity rate seen in this cohort highlights how scaling can introduce additional layers of coordination, which slow output despite high effort.
- The 42% non-billable time reflects internal meetings, admin, and other tasks in firms with more specialised, layered roles, suggesting that growth may demand clearer processes to optimise efficiency.

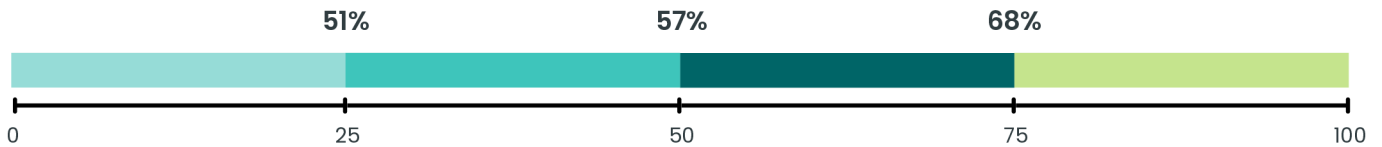


Monthly Productivity Trend



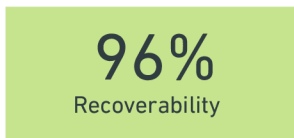
- The trend shows stable but slightly declining productivity, ranging from 54% to 61%, with a dip in July 2024 caused by seasonal factors or initial adjustments; the slight decrease by January 2025 highlights opportunities to optimize and maintain consistent productivity year-round.

Productivity by Quartile



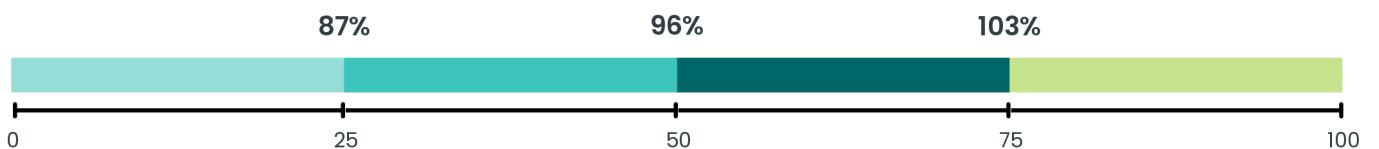
- Even top quartile firms cap at 68% productivity, leaving almost a third of time unbilled. The median sits at just 57%, indicating most firms struggle to convert effort into revenue.
- This gap widens further at the bottom quartile, where productivity drops to 51% and nearly half of recorded hours go unbilled, revealing a clear opportunity to tighten workflows and boost efficiency across the board.

Recoverability



- Despite long WIP days, recoverability reaches 96%, showing firms are successfully billing and collecting the majority of their recorded hours, a strong sign of effective pricing, scope control, and client communication.
- Still, the remaining 4% is untapped potential, tightening quotes, tracking scope, or writing on early could lift margins further.

Recoverability by Quartile



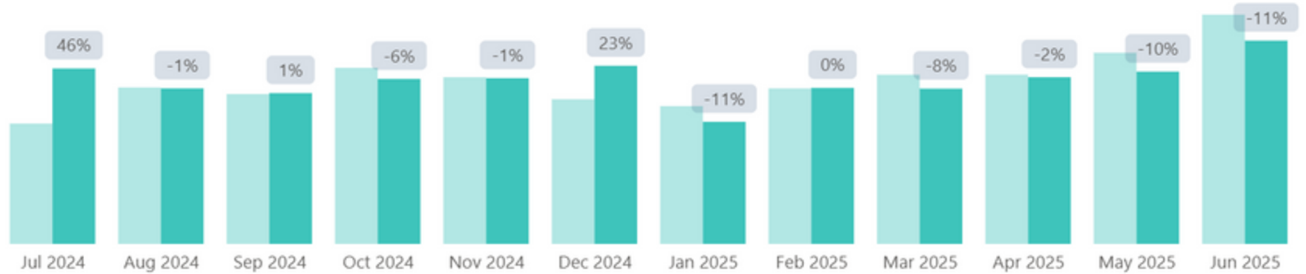
- The median and average recoverability both sit at 96%, showing consistent performance across firms, with the top quartile reaching an impressive 103%, indicating write-ons or efficiency gains.
- Even the bottom quartile holds at 87%, which, while slightly lower, is still a solid benchmark that suggests firms are generally strong at billing what they deliver.



Debtors & Lockup

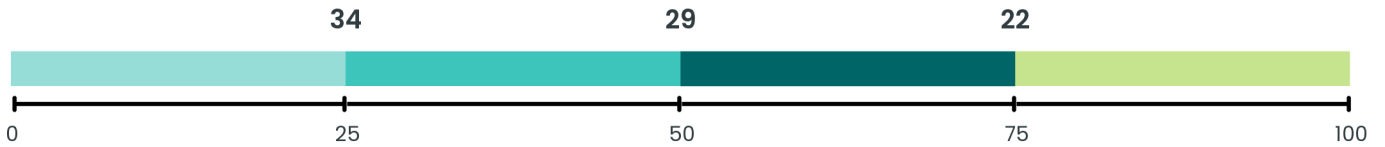
Revenue vs Payments Trends

● Revenue Trend ● Payments Trend



- FY25 shows a mixed pattern, with payments exceeding revenue in 5 months and revenue outpacing payments in 7 months, highlighting ongoing fluctuations in billing and collection cycles.
- The largest gap occurred in July 2024, where payments jumped 46% above revenue, while June 2025 showed the biggest reverse, with payments trailing revenue by 11%, signaling potential delays in collections at year-end.

Debtor Days by Quartile

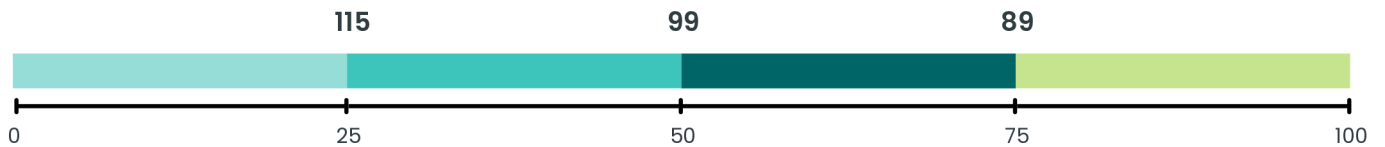


- Top quartile firms hit 22 days, showing that faster collection is possible with strong follow-up and clear payment terms.
- Even the lower quartile stays close to 30 days, while smaller firms may collect faster, this remains a solid result given the larger fees and broader service mix at this size.

Avg Lockup Days



Lockup Days by Quartile



- Lockup Days average 110, close to 4 months, driven largely by 82 WIP Days and 29 Debtor Days, reflecting ongoing delays between work completion and cash collection.
- This trend mirrors the 11-30 firm size cohort, with bottom quartiles in both groups extending to nearly 4 months, highlighting how growing complexity calls for more disciplined billing and debtor management.



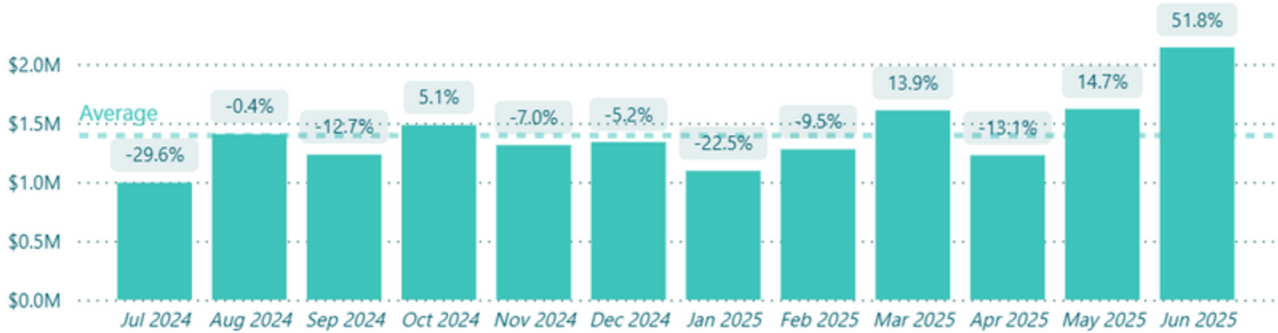
PART 3:

Firm Size 65+



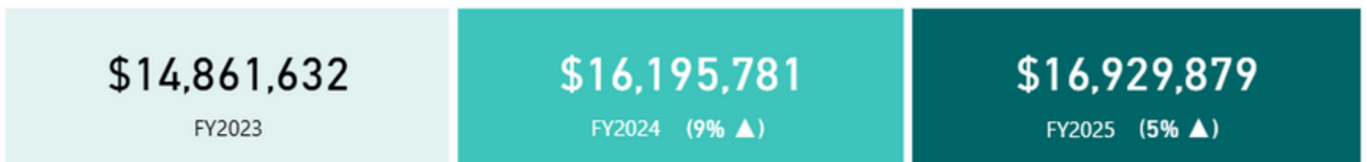
Revenue

Monthly Revenue Trend



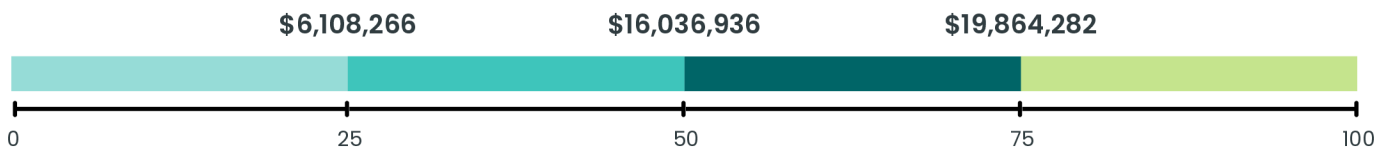
- FY25 opened with a sharp 29.6% revenue dip from monthly averages in July, as this cohort took time to regain momentum after EOFY.
- The first half of the year remained unsettled, with inconsistent results and a renewed slowdown in January, dropping another 22.5%.
- From the monthly average, strong gains in March, May, and June closed the year on a high, proving that large firms can weather slow periods and finish strong when capacity is aligned with demand.

Revenue from FY23 to FY25



- Revenue jumped 9% from \$14.9M in FY23 to \$16.2M in FY24, the highest growth rate across all firm sizes, marking a standout year of expansion.
- FY25 saw a further 5% increase, lifting revenue to \$16.9M. While softer than the previous year, this reflects a natural plateau after a high-growth period.

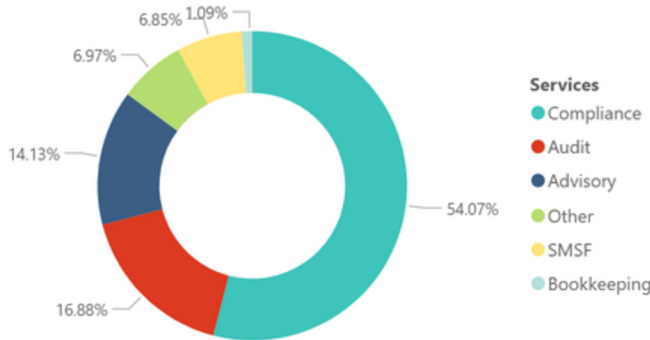
Revenue by Quartile



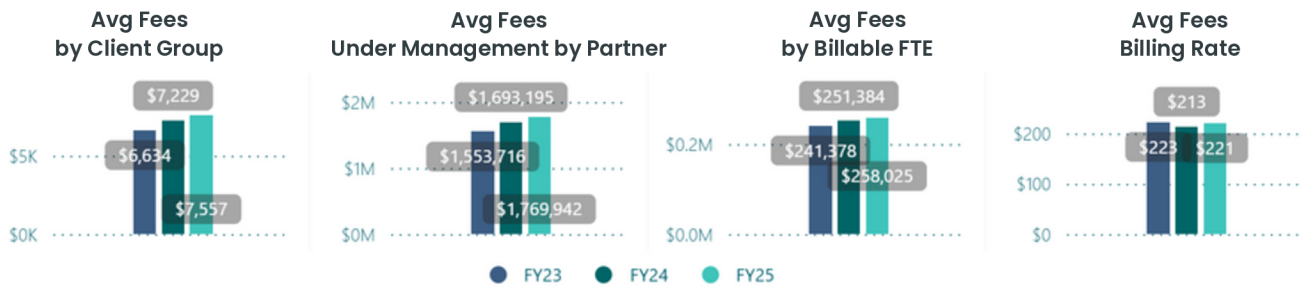
- The revenue spread across quartiles is wide, with firms in the top quartile earning nearly \$20M, over 3x that of the lower quartile at just \$6M.
- In the 65+ seat category, higher revenue figures of \$16M to \$19.87M are achievable, largely because seat count increases capacity. As firm size grows, revenue scales accordingly, reflected in the upper end of this data set.



Services Breakdown



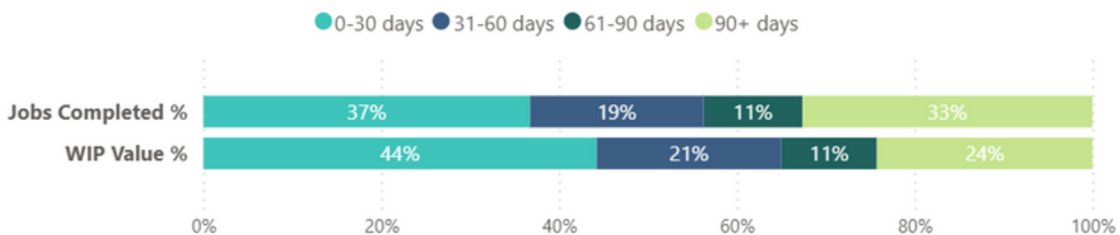
- In this cohort, compliance still makes up over half the service mix at 54.07%, forming a strong base while enabling room to expand into other offerings.
- Audit now ranks second ahead of Advisory, reflecting how larger firms are expanding their services, especially into assurance work and strategic support.



- Large firms have higher average fees by client group and under management by partner compared to mid-large firm size, reflecting their larger client bases and more complex management structures.
- Despite managing more significant client portfolios, large firms have lower average fees by billable FTE and billing rates, likely to leverage more billable resources and offer competitive pricing to attract and retain more clients.

Job & WIP

Jobs Completed % vs WIP Value %





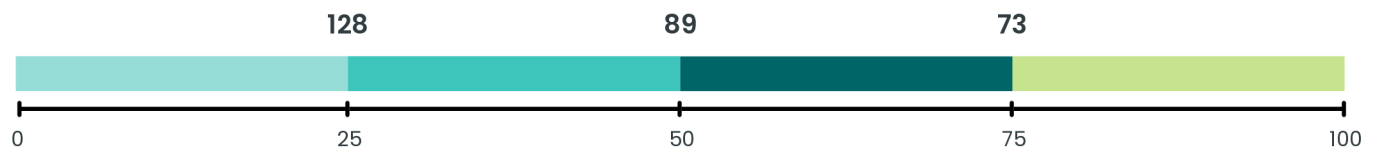
- Only 37% of jobs in large firms are completed within 30 days, much lower than trends of other firm sizes, while 33% take over 90 days, highlighting slower turnaround times.
- WIP Value % still follows similar patterns to other firm sizes, but 31–60 days (21%) and 90+ days (24%) make up a large share, suggesting longer and more complex jobs.
- Large firms that can streamline job and WIP management stand to gain significantly, speeding up revenue recognition and boosting operational efficiency.

Job Turnaround Times and WIP Management Breakdown



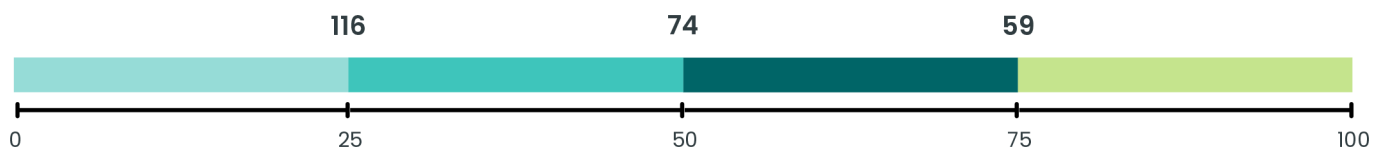
- On average, jobs take 104 days to complete and WIP takes 93 days to bill. This is likely due to complex work, multiple layers of review, and slower internal handovers that delay turnaround and revenue recognition.

Job Turnaround by Quartile



- Job turnaround ranges from under 73 at top quartile firms to more than 128 days at the lowest quartile firms.
- Top quartile firms complete jobs in just over 2 months, showing that faster turnaround is still possible with the right systems in place.

WIP Days by Quartile



- Top quartile firms manage WIP within 59 days, demonstrating strong control over billing cycles—even with larger clients and more complex jobs.
- Bottom quartile firms are over 116 days, often due to delayed job completion, unclear billing triggers, or the absence of milestone billing, revealing opportunities to streamline processes and accelerate cash flow.



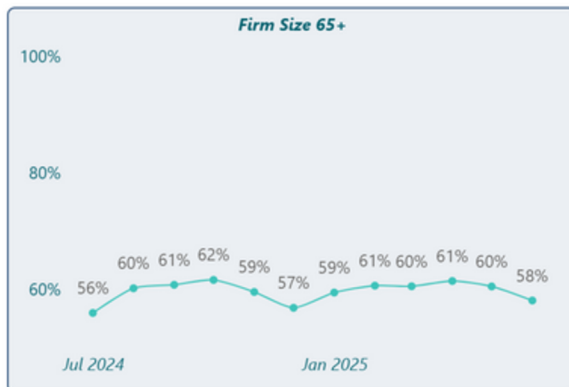
Timesheets & Productivity

Timesheet Hours & Productivity



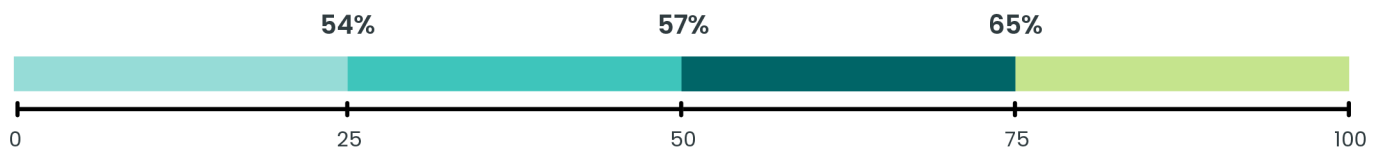
- Productivity averages 60%, reflecting the complexity of larger clients, more time goes into planning, meetings, and admin to ensure quality. Still, with better delegation, clearer scoping, or automation, there’s room to lift billable output.

Monthly Productivity Trend



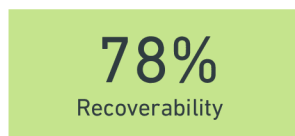
- Productivity hovered between 56–62% throughout the year, showing consistency, but also highlighting a ceiling. With non-billable work a given in complex firms, lifting this baseline even slightly could yield strong gains.

Productivity by Quartile



- Productivity ranges from 54% in the lowest quartile to 65% at the highest quartile.

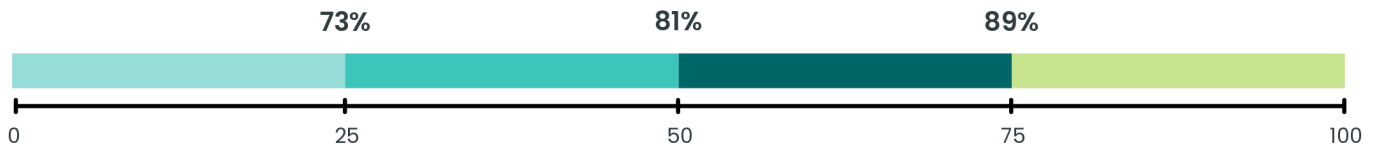
Recoverability



- At 78%, recoverability is steady but leaves room for improvement. With larger clients and layered services, some write-downs are expected, but tighter quoting and better scope control could help reclaim more value from work already done.



Recoverability by Quartile

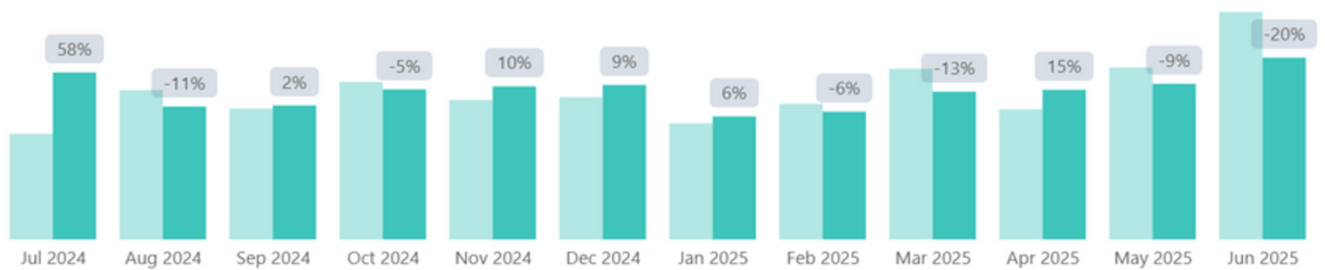


- Larger firms are effectively managing their revenue with higher recoverability, but there is still room for improvement in the lower quartiles, where billing and recovery processes may need optimization.
- Given the complexity and longer timelines of work, large firms can benefit further from milestone billing to smooth cash flow and reduce billing delays.

Debtors & Lockup

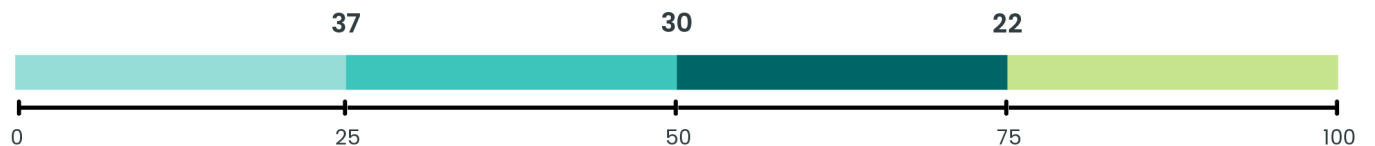
Revenue vs Payments Trends

● Revenue Trend ● Payments Trend



- Most months show positive payment trends, indicating consistent follow-up and client responsiveness throughout the year. However, the final stretch sees payments slipping behind revenue, especially in March, May, and June.
- The sharp drop in June payments despite a spike in revenue suggests end-of-year billing surges or delayed invoicing not met with timely collection. This highlights the importance of aligning billing and collection processes, especially during peak revenue months, to avoid cash flow gaps.

Debtor Days by Quartile



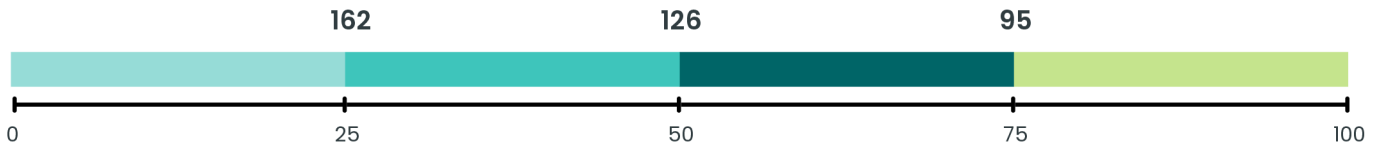
- Top quartile firms collect payments in just 22 days, setting a strong benchmark for fast and efficient debtor management.
- Even bottom quartile firms sit at 37 days, showing most maintain relatively short cycles, with room to improve through clearer terms and prompt follow-up.
- Firms in this cohort sustain shorter debtor cycles by enforcing clear payment terms, leveraging milestone billing, nurturing strong client relationships, and maintaining consistent follow-up routines.



Avg Lockup Days



Lockup Days by Quartile



- With firms in this cohort, Lockup days average 126—significantly higher than other cohorts, driven by a sharp rise in both WIP Days and Debtor Days, highlighting how larger workloads and layered processes can slow down billing and collections.
- Lockup days by quartile also increase substantially, with the bottom quartile stretching to 162 days, reinforcing how growing complexity at this level requires more rigorous cash flow management to avoid delays.

Afterword

The insights in this report paint a clear picture: the accounting profession is transforming, and the practices that thrive will be those that strategically embrace this change while preserving what makes them valuable.

There is a growing demand for deeper engagement, not just compliance. Clients are looking for trusted advisors who can guide them through restructures, valuations, succession planning, strategic growth and more. This opens up significant opportunities for firms to expand their advisory offerings and build closer relationships with clients.

We are also seeing an increasing focus on efficiency and growth from within. Firms are simplifying processes, making better use of existing capacity, and unlocking value from underutilised client data. This is not just about financial growth, it is about creating space for more meaningful work and stronger business and client outcomes.

The future of the accounting industry will be powered by technology, but led by people. Relationships, communication, and sound judgement remain irreplaceable. The firms that succeed will be those that use technology to support their teams, deepen their client impact, and build a business that is both modern and human at its core.

The question now is: how might your firm use these insights to position your business, your team and your clients for success?

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