

● When the global economy is uncertain and businesses think it's time to reduce cost and risk, ironically, accounting firms tend to do better.

While audit is still the steady part of the top 100 accounting firms' revenue stream, advisory has been the hot spot for growth.

The nation's largest accounting firms have increased partner numbers and grown revenue thanks to the private and public sectors maintaining a healthy appetite for advice in areas including technology, performance improvement and risk management.

As always, the big four led the pack, but advisory also grew substantially among the mid-tier firms. The Australian Taxation Office's focus on the C-suite also saw demand for tax compliance advice soar.

Professional services consultant George Beaton says consulting has become lucrative for accounting firms across the list. "They are stepping into places that a decade ago would have been unheard of," he says. "In the big four, PwC and Deloitte are leading the way in private client consulting [dealing with high-wealth individuals and large family businesses]."

But Ernst & Young and KPMG are also moving into that space. "You're also seeing middle-tier firms, such as BDO, PKF and Grant Thornton, building up their consultancy practices by taking on some of the work previously done by the big four in areas such as risk management and property advisory," Beaton says. "They may not have the capacity to do it on a national basis yet, but are doing it on a state-by-state basis."

PwC once again came in as Australia's top accounting firm, hitting \$1.43 billion in revenue for the 2010-11 financial year, up 14.7 per cent on the previous year (a substantial chunk of its revenue came from a restatement of its 2009-10

financial earnings to take account of the sale of PwC's Indonesia practice).

PwC's strongest growth areas include private clients, which rose 30 per cent for the 12 months to June 30, 2011. Business advisory, including areas such as performance improvement, people and change management, operational strategy, and technology advice, was also up 30 per cent. Risk advisory grew by 24 per cent. But conventional tax and audit areas saw slower growth of 5 per cent and 2 per cent respectively.

"People talk about us as an accounting firm, but we're a professional services firm," PwC chief executive Mark Johnson says. "We have 300 lawyers and large numbers of engineers and doctors. Sure, we still offer traditional accounting services, but as part of a broader professional services firm."

KPMG ranked second on the list, with an 11.1 per cent lift in revenue to \$1.06 billion. "Advisory was our largest business, contributing 44 per cent to overall firm revenue," chief executive Geoff Wilson says. "Clients are looking at opportunities for cost reduction, improved productivity and greater efficiency."

KPMG's top three growth areas were within advisory: management consulting – which includes advice in areas such as financial services, healthcare and government – grew by almost 20 per cent over the past year; risk consulting – which is driven by governance work, project risk reviews and risk management – grew by 26 per cent; and transactions and restructuring grew by 9 per cent.

Wilson thinks advisory will drive about 50 per cent of revenue in the current financial year, but clients will be more cautious in an "uncertain and somewhat volatile environment". He says *Continued on page 36*

FASTEST GROWING FIRMS BY REVENUE 2009/10 - 2010/11

Rank	Firm	Head office	Revenue 2010-11	% Change
1	Achieve Corp	Canberra	3,912,680	54.5
2	Kelly + Partners	Sydney	14,262,087	52.5
3	Cor Cordis	Melbourne	8,315,000	35.0
4	Camphin Boston	Sydney	3,686,082	29.9
5	BDJ Partners	Sydney	4,684,000	28.1
6	GeersSullivan	Mt Pleasant	4,412,000	25.6
7	Haines Muir Hill	East Doncaster	6,571,000	25.3
8	DFK Australia	Sydney	42,599,486	24.4
9	JM Partners	Elsternwick	3,630,000	23.8
10	Edwards Marshall	Adelaide	11,015,312	23.5
11	M V Anderson & Co	Melbourne	3,611,327	23.5
12	Blaze Acumen	Melbourne	6,310,000	20.2
13	Cummings Flavel McCormack	Melbourne	7,095,000	18.1
14	Fortunity	Erina	6,190,000	15.7
15	Economos Group	Sydney	8,125,000	15.2
16	Ernst & Young	Sydney	1,052,620,000	14.8
17	PwC	Sydney	1,429,360,000	14.7
18	Freer Parker	Adelaide	3,590,181	14.4
19	Clark & Jacobs	Sydney	4,148,076	14.1
20	Deloitte*	Sydney	935,000,000	14.0

* (Financial year ends 31 May 2011)

TOP 100 ACCOUNTING FIRMS, RANKED BY REVENUE 2010-11

Rank 2010	Rank 2011	Firm	Offices	Head office	Partners	Total staff #	Revenue 2010-2011	Change %
1	1	PwC	10	Sydney	441	5693	1,429,360,000	14.7
2	2	KPMG Australia	13	Sydney, Melbourne	395	5379	1,064,000,000	11.1
3	3	Ernst & Young	6	Sydney	396	4427	1,052,620,000	14.8
4	4	Deloitte**	12	Sydney	509	5121	935,000,000	14.0
5	5	WHK Group	88	Melbourne	246	2205	348,733,001	0.1
6	6	BDO	11	n/a	157	1327	214,038,000	9.2
7	7	Grant Thornton Australia	5	Sydney	91	921	152,785,000	0.6
9	8	Pitcher Partners	5	n/a	82	813	146,028,625	4.1
n/a	9	Proactive Accountants Network	80	Brisbane	157	885	135,103,682	7.5
8	10	PKF	12	Sydney	89	700	132,116,594	-11.1
10	11	RSM Bird Cameron	27	Perth	80	842	125,200,000	6.6
11	12	Moore Stephens	14	Melbourne	95	735	111,230,000	-2.1
13	13	Korda Mentha*	9	Melbourne	35	350	105,000,000	5.0
12	14	McGrathNicol*	6	n/a	31	322	95,000,000	-5.0
14	15	HLB Mann Judd	11	Sydney	83	592	91,880,874	4.1
16	16	PPB Advisory	5	Sydney	33	319	80,000,000	5.3
n/a	17	Countplus Limited	32	Sydney	62	481	77,995,174	n/a
17	18	William Buck	5	Sydney	58	433	73,410,000	12.1
18	19	H&R Block Limited	404	Sydney	n/a	1979	68,758,500	6.6
19	20	Nexia Australia	6	Sydney	67	355.01	64,382,297	11.9
20	21	Bentleys	10	Sydney	49	322	57,946,588	5.9
21	22	Hall Chadwick	7	Sydney	31	290	53,663,000	4.8
22	23	Lawler Partners	6	Sydney	35	244	49,214,208	10.6
25	24	DFK Australia	15	Sydney	40	198	42,599,486	24.4
23	25	MGI Australasia	10	Melbourne	36	238	40,377,479	7.9
24	26	UHY Haines Norton	9	n/a	33	283	35,968,440	1.9
26	27	Hayes Knight	6	Sydney	23	169	30,571,000	2.5
27	28	Accru	6	Hobart	25	163	24,821,000	-4.2
29	29	Vincents	4	Brisbane	25	136.2	22,000,000	2.8
28	30	Sothertons	6	Perth	22	157.4	21,641,391	-6.1
30	31	Walker Wayland	8	Sydney	23	132	20,755,778	7.8
32	32	Perks	4	Adelaide	17	140	19,392,000	9.5
31	33	Australian Solutions Group	9	Sydney	15	112.5	18,002,606	-9.2
36	34	Hood Sweeney	3	Adelaide	10	95	17,665,000	12.4
38	35	Worrells	7	Brisbane	15	89	17,184,000	13.8
37	36	Bell Partners	3	Sydney	1	92	16,944,000	10.6
33	37	DKM Group	4	Melbourne	11	94	16,732,656	-6.1
35	38	Prosperity Advisers Group	3	Sydney	11	110	16,645,125	3.0
n/a	39	Smith & Brown	8	Melbourne	18	122	15,789,654	8.0
39	40	Boyce	5	Dubbo	11	130.2	15,676,780	4.1
50	41	Kelly + Partners	4	Sydney	12	76	14,262,087	52.5
41	42	McLean Delmo	1	Melbourne	11	67.6	14,133,932	5.9
42	43	Crosbie Warren Sinclair	3	Newcastle	12	100	14,019,000	6.1
34	44	MSI Group	4	Melbourne	19	89	14,000,000	-22.2
43	45	Low Lippmann	1	Melbourne	9	86	13,071,000	6.1
44	46	GMK Partners	1	Melbourne	12	85	12,700,000	5.0
57	47	Hill Rogers Spencer Steer	1	Sydney	10	73	11,200,000	10.9
47	48	Lawrence Business Management	3	Fremantle, WA	2	58.5	11,191,186	12.1
51	49	Edwards Marshall	1	Adelaide	9	76.85	11,015,312	23.5
n/a	50	Hanrick Curran	1	Brisbane	8	75	10,700,000	8.1
45	51	ESV	1	Sydney	6	60	10,660,000	0.6

Rank 2010	Rank 2011	Firm	Offices	Head office	Partners	Total staff #	Revenue 2010-2011	Change %
48	52	Allan Hall	1	Brookvale, NSW	6	65	10,550,000	7.7
49	53	Duncan Dovico	2	Sydney	8	69	9,550,000	-1.2
52	54	Forsyths	4	Armidale, NSW	11.8	71.8	8,960,864	1.0
54	55	MOR Accountants	2	Ballarat, Vic	6	39.2	8,897,800	9.1
n/a	56	Gooding Partners	1	Perth	5	47	8,550,512	6.9
53	57	WMS	1	Gold Coast, Qld	43	60	8,491,000	2.5
64	58	Cor Cordis	2	Melbourne	6	45	8,315,000	35.0
n/a	59	Economos Group	1	Sydney	6	45	8,125,000	15.2
56	60	Wealth Experience	3	Toowoomba, Qld	10	52	7,954,161	6.7
58	61	Byrons	1	Burwood, NSW	6	44.9	7,372,366	4.7
65	62	Cummings Flavel McCormack	1	Melbourne	7	38.9	7,095,000	18.1
55	63	SRJ Accountants	3	Brisbane	3	42	6,882,864	9.4
62	64	Stewart, Brown & Co	1	Chatswood, NSW	5	32	6,733,000	9.2
61	65	Marsh Tincknell	4	Mt Gravatt, Qld	8	36	6,702,000	7.2
59	66	RSD	2	Bendigo, Vic	4	50.23	6,576,071	2.9
n/a	67	Haines Muir Hill	1	East Doncaster, Vic	6	46	6,571,000	25.3
60	68	Camerons	4	Launceston, Tas	6	58	6,396,000	13.2
71	68	Blaze Acumen	1	Melbourne	5	31	6,310,000	20.2
63	70	LBW	3	Geelong, Vic	8	54	6,250,000	1.6
67	71	Bush and Campbell	3	Wagga Wagga, NSW	6	39	6,200,000	6.9
70	72	Fortunity	1	Erina, NSW	5	38.1	6,190,000	15.7
66	73	Kennedy & Co	4	Unley, SA	5	43	6,053,394	2.2
69	74	Altus Financial	1	Sydney	5	31.73	5,689,000	7.5
n/a	75	Adams Kenneally White	3	Wagga Wagga, NSW	5	40	5,077,000	-0.6
80	76	Logicca	1	Sydney	5	35	5,015,321	13.6
74	77	Lomax Financial Group	1	Chatswood, NSW	1	30.6	5,005,467	5.1
73	78	PrincipleFocus	8	Coffs Harbour, NSW	8	45	5,000,000	4.2
n/a	79	Farrow Wyatt	2	Maitland, NSW	6	46	4,966,918	-1.0
n/a	80	BMO	1	Dalby, Qld	4	49	4,950,000	12.5
79	81	Pinnacle Accounting Partners	1	Griffith, NSW	6	41	4,822,432	7.5
82	82	Collins & Co	1	Footscray, Vic	6	42	4,750,000	12.0
77	83	Poole & Associates	4	Swan Hill, Vic	4	33	4,710,000	2.6
89	84	BDJ Partners	2	Sydney	5	25	4,684,000	28.1
81	85	Murray Nankivell	3	Naracoorte, SA	6	37	4,670,000	8.6
91	86	GeersSullivan	1	Mt Pleasant, WA	4	24	4,412,000	25.6
83	87	Rhodes Docherty & Co	1	St Ives, NSW	3	32	4,376,087	3.0
75	88	AJBartlettCachia	1	Wollongong, NSW	2	27.4	4,371,868	-6.0
n/a	89	MGR Accountants	4	Bendigo, Vic	3.25	38.1	4,282,720	5.6
76	90	McKern & Associates	2	Burleigh Waters, Qld	1	33.2	4,251,468	-9.4
84	91	Aspen Corporate	1	Perth	4	22.06	4,201,805	6.6
90	92	Clark & Jacobs	1	Sydney	4	20	4,148,076	14.1
78	93	Liston Landers	3	Malvern, Vic	2	30.4	4,133,685	0.3
n/a	94	Berger Piepers	1	Penrith, NSW	3	25	3,984,365	3.7
96	95	Achieve Corp	1	Canberra	3	21.47	3,912,680	54.5
87	96	Cassim Calligeros Simos	2	Sydney	6	17	3,882,965	3.5
n/a	97	Camphin Boston	1	Sydney	4	19	3,686,082	29.9
99	98	JM Partners	1	Elsternwick, Vic	3	31	3,630,000	23.8
86	99	GHR Accounting Group	1	Mona Vale, NSW	4	18	3,627,880	1.1
n/a	100	M V Anderson & Co	2	Melbourne	5	42	3,611,327	23.5

Figures supplied by firms except *BRW estimates **Financial year ends May 31 #Full-time equivalents