

# 2026 Practice Capacity & EOFY Survival Guide

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*The Partner's Roadmap to Navigating the 25,000 Accountant Shortage and the Division 296 Transition.*

**Prepared for:** Progressive Australian Accounting Practices & CPAs

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## EXECUTIVE SUMMARY

### The 2026 Shift

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The 2025–26 financial year represents a fundamental shift in the Australian accounting landscape. With a projected shortfall of over 25,000 qualified accountants and the implementation of complex new superannuation taxes, “business as usual” is no longer a viable strategy for firm growth.

This guide covers the critical pillars for a successful June 30:

- **The Capacity Bridge:** How to manage a 30% increase in year-end volume without local hiring.
- **Legislative High-Alert:** Pre-empting the \$3M Super Cap and Payday Super mandates.
- **Recovery Rate Optimisation:** Shifting low-margin production to high-efficiency workflows.
- **Data Sovereignty:** Maintaining ISO-grade security in a remote-first world.

### Inside This Guide

1. **The 60-Day Countdown** — Weekly milestones for April and May.
2. **The “Red-Zone” Client List** — identifying bottleneck files before they hit your desk.
3. **The White-Label Synergy** — How to integrate a dedicated production team in under 7 days.
4. **2026 Compliance Checklist** — a one-page technical cheat sheet for your Senior Team.

SECTION 1

## The 60-Day Countdown

The window between April 1 and June 30 is the most operationally demanding period for any Australian accounting practice. The following weekly milestone framework is designed to keep your firm ahead of the workload curve, avoiding the reactive scramble that costs recovery rate points and client confidence.

### April: Build Your Foundation

Week	Focus Area	Key Actions
Week 1 (Apr 1–6)	Capacity Audit	Assess current team bandwidth. Identify all open EOFY files. Flag Division 296 and Payday Super-impacted clients.
Week 2 (Apr 7–13)	Red-Zone Identification	Segment the client list by complexity and risk. Assign priority tiers (High / Medium / Low). Brief the production support team on the scope.
Week 3 (Apr 14–20)	Workflow Activation	On-board offshore production team, if applicable. Establish file-transfer protocols. Run the first compliance checklist review with senior staff.
Week 4 (Apr 21–27)	Velocity Check	Review throughput against targets. Identify any emerging bottlenecks. Conduct mid-month client communication for complex files.

### May: Execute and Accelerate

Week	Focus Area	Key Actions
Week 5 (Apr 28–May 4)	Tax Return Sprint	Begin high-volume tax return processing. Prioritise Red-Zone clients first. Daily stand-up with the production team on job status.
Week 6 (May 5–11)	Quality Gate #1	First batch review and sign-off. Confirm all Division 296 calculations are completed and lodged. Update client trackers.
Week 7 (May 12–18)	Advisory Window	Use cleared capacity to conduct value-add advisory conversations. Proactively communicate any lodgement deadline risks to clients.
Week 8 (May 19–25)	Final Surge	Accelerate remaining open files. Confirm Payday Super compliance for all applicable payroll clients. Lock in the June 30 lodgement schedule.
Week 9 (May 26–Jun 1)	Pre-EOFY Sign-Off	Final partner review of all outstanding matters. Issue client reminders for outstanding information. Confirm the ATO lodgement portal is clear.

SECTION 2

## The “Red-Zone” Client List

Not all clients are created equal at year-end. The Red-Zone framework helps your team identify which files carry the highest risk of delaying your practice’s EOFY throughput before they arrive on a partner’s desk unannounced.

### How to Classify Your Client Files

Apply the following three-tier classification to your entire client base in April:

#### RED — High Complexity / High Risk

- Clients with super balances exceeding \$3M (Division 296 impacted)
- Business clients with unresolved trust or structure issues
- Clients with outstanding ATO correspondence or audits in progress
- Any client requiring BAS, payroll tax, and income tax concurrently
- New clients onboarded after January 2026 (incomplete history)

#### AMBER — Moderate Complexity

- Investment property clients with multiple assets or depreciation schedules
- Clients with Div. 7A loan compliance requirements
- SMSF clients not yet impacted by Division 296, but with complex portfolios
- Clients requiring R&D tax incentive reconciliations

#### GREEN — Standard / Streamlined

- Salary and wage earners with straightforward deductions
- Established small business clients with clean bookkeeping (Xero / MYOB)
- Clients with no material change in financial position from the prior year

### Action: Building Your Red-Zone Register

By the end of Week 2 (April 13), your practice should have a documented register of all Red-Zone clients with the following fields confirmed:

Client / Entity	Risk Tier	Responsible Partner	Outstanding Items	Target Date
[Client A]	RED	Partner X	Div 296 calc, SMSF return	May 15
[Client B]	AMBER	Partner Y	Div 7A reconciliation	May 31
[Client C]	GREEN	Senior Accountant	Tax return only	June 20

SECTION 3

## The White-Label Synergy

Integrating a dedicated offshore production team into your firm’s workflow is no longer an experiment — it is a proven capacity strategy used by leading Australian practices to absorb EOFY volume without compromising quality or incurring the cost and timeline of local recruitment.

The following framework outlines how to get a production team fully operational within 7 business days.

### The 7-Day Onboarding Framework

Milestone	Action
Day 1–2 — Scope & Briefing	Define the service scope: tax returns, financial statements, BAS, SMSF, or a combination. Provide your standard working paper templates, chart of accounts, and client software access (read-only). Sign NDAs and data handling agreements.
Day 3 — Systems Access & Security Setup	Grant secure, role-limited access to your practice management software (e.g. XPM, Karbon, Hand iSOFT). Confirm file-sharing protocols using encrypted channels. All access must align with your ISO 27001 data security requirements.
Day 4 — Pilot File Processing	Assign 2–3 low-complexity Green-tier files as a pilot run. Review output against your quality benchmark. Provide feedback within 24 hours.
Day 5–6 — Quality Review & Calibration	Conduct a formal review meeting. Align on formatting standards, disclosure notes, and review checklists. Confirm turnaround time SLAs for each file type.
Day 7 — Full Production Go-Live	Begin processing the full agreed batch of files. Establish a daily or twice-daily status update protocol. Confirm escalation path for queries requiring partner-level input.

### Key Integration Principles

- **Your brand, your clients:** All work is produced under your firm’s letterhead with no reference to the production partner.
- **Partner review remains in-house:** The production team prepares; your partners review and sign off. The advisory relationship stays with you.
- **Scalable volume:** Adjust the volume of files processed week-by-week based on throughput requirements. There is no fixed minimum.
- **Compliance-ready output:** All files are delivered audit-ready, with reconciliations, supporting schedules, and ATO lodgement data prepared.

SECTION 4

## 2026 Compliance Checklist

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A technical reference checklist for your Senior Team covering the two highest-impact legislative changes of the 2025–26 financial year. Print this page and keep it at your desk through June 30.

### Division 296 — \$3M Superannuation Cap

From 1 July 2025, an additional 15% tax applies to earnings attributable to superannuation balances exceeding \$3 million. This is separate from the existing 15% contributions tax and applies to a new concept of “taxable superannuation earnings” calculated by the ATO.

#### Key Technical Points

- The \$3M threshold is NOT indexed to CPI.
- The tax is levied on the individual, not the fund. Clients may elect to release funds from super to pay the liability.
- Unrealised gains are included in the earnings calculation — clients with illiquid assets (e.g., property in SMSF) face cash flow risk.
- The ATO will issue a Div. 296 assessment after the fund lodges its annual return. Clients should not wait to plan.
- SMSFs with property or unlisted assets must obtain a current market valuation for the 30 June 2026 balance.
- Where a member has multiple super funds, the \$3M threshold applies to the combined total balance.

### Payday Super — Mandatory from 1 July 2026

From 1 July 2026, employers will be required to pay superannuation contributions at the same time as wages, rather than quarterly. Practices need to prepare business clients NOW, given the systems and process changes required.

#### Key Technical Points

- Super must be received by the fund within 7 days of the payroll date (proposed, subject to final legislation).
- Payroll software must be configured to calculate and remit SG contributions per pay run.
- Employers with manual payroll processes will need to upgrade or migrate systems before July 1, 2026.
- Penalties for late payment will be significantly higher than the current SGC regime.
- Advise all payroll clients to conduct a payroll software readiness review before May 31, 2026.
- Business clients should model the impact of accelerated super payments on working capital.
- Super Stream-compliant payment channels must be used. Confirm all clients have a registered clearing house or direct fund relationship.

**At-a-Glance: Legislative Quick Reference**

Item	Division 296	Payday Super
Effective Date	1 July 2025	1 July 2026
Who is Affected	Individuals with super balance > \$3M	All employers paying SG contributions
Tax / Penalty	Additional 15% on earnings above threshold	Enhanced SGC + interest + admin charge
Key Risk	Unrealised gains on illiquid assets	Cash flow and payroll system readiness
Your Action Now	Identify all clients with TSB approaching \$3M	Audit payroll software for all business clients

**CLOSING NOTE**

**Scale without the Overhead**

The practices that will finish the 2026 financial year strongest are not those with the largest teams — they are the ones that planned early, classified their workload honestly, and built a flexible production model capable of absorbing the June 30 surge without burning out their core staff or sacrificing client service quality.

The four pillars in this guide — capacity planning, legislative readiness, workflow efficiency, and data security — are not independent initiatives. They work as a system. Weakness in any one area will compress your recovery rate and create client risk in the others.

Start your 60-day countdown now. Build your Red-Zone register this week. And if your current team capacity cannot absorb a 30% volume increase between April and June, the time to act is before the files arrive on your desk.

To know more about Hornbill, visit our website: [hornbillcorp.com](http://hornbillcorp.com)