

# An open letter from PwC Australia CEO Kevin Burrowes



**For more than 150 years, PwC Australia has prided itself on the contribution we make to the Australian business sector, our people and our communities.**

**Yet, in January this year, the outcome of a Tax Practitioner's Board (TPB) investigation threw that into question. It revealed behaviour we are not proud of – behaviour which does not meet our values and expectations, and behaviour that betrayed the trust of our stakeholders.**

**We are deeply sorry for that behaviour and the culture that allowed it to go unchecked for many years.**

What is clear is that under past leadership, the TPB matter was never adequately investigated by PwC Australia. We have now done what should have occurred from the beginning.

In May 2023, our new Management Leadership Team engaged external law firms to help PwC investigate what had gone wrong and we commissioned Dr Ziggy Switkowski AO to conduct an independent review of our governance, culture and accountability.

Together, these investigations reveal shortcomings that should not have been possible at a firm like ours. It is clear that we did not meet our own expectations – much less those of our stakeholders – and that there was a failure of leadership, both by individuals and as a firm.

However, by identifying and accepting these failures, we begin to chart our path forward. We have listened, we are learning, and we will change.

## The past

In releasing Dr Switkowski's Independent Review and our Management Response as well as a Statement of Facts based on our investigation, undertaken with the assistance of external counsel, into confidentiality breaches, we can now provide a complete and holistic view of what happened, and what went wrong.

The findings from these reviews and investigations reveal that in addition to identified wrongdoing, a series of mistakes, wrong decisions and poor judgements were made. Repeated failures of leadership contributed to an erosion of good governance and weakened our focus on our professional and ethical standards. This compounded to the point where the sharing of confidential information occurred and, ultimately, went unaccounted for, for too long.

Despite the significant actions taken to improve the culture in the firm's Tax practice between 2016-2023, when the TPB's findings were published, firm leadership at the time failed to acknowledge the significance of the matter. The actions were condemned, yet there was a reluctance to ask the most crucial questions: how did this happen? And why?

We now know that an environment, driven by leadership, where pressure to perform was paramount and a culture that promoted aggressive marketing was allowed to infiltrate the business, meaning that profit was placed ahead of doing what is right.

## The present

PwC Australia's new Management Leadership Team is determined to rebuild and re-earn trust.

Based on our reflections on root cause investigations and the Independent Review, we have developed five key Commitments to Change and a comprehensive Action Plan that provides a roadmap to becoming the leading professional services firm.

There has already been significant change at the firm. People have been held to account, we are divesting our government business, and we have a new Management Leadership Team. Yet it is the small, often intangible, shifts which, for me, are most notable: a supportive email from a client, a constructive session with our People Council, or a friendly conversation in the lift with a new joiner who is excited about starting their career with the firm.

We are becoming more unified, with key decisions taking into account all parts of our business. We are doubling down on our commitment to our stakeholders and making a conscious effort to listen more carefully to the needs of our people.

Since becoming CEO, I have had the privilege of meeting many highly skilled and dedicated people who work for PwC Australia. Throughout these challenging times their resilience and determination has shown me that the foundations of this firm are strong.

The Independent Review makes a clear distinction between the leadership failures that led to an erosion of good governance and culture and the high quality of work our people and the firm provide for our clients every day. As Dr Switkowski highlights, our greatest strength lies in our people. This is what we will leverage to move forward.

## The future

We realise the challenge ahead, but we also view it as an opportunity to start with a blank page, working with our clients and stakeholders to set a higher bar for our industry.

Our vision is to become the leading professional services firm, built on the highest ethical and professional standards with integrity at our core, a firm that delivers purposeful and sustained outcomes in everything we do.

To our people: this means working for a firm that prioritises creating an environment for you to thrive in. Together we will build a culture that you can be proud of and an environment that allows you to continue delivering the high calibre of work you are known for, while adhering to the highest ethical standards. People will be promoted to roles based on merit, ensuring we bring different views and voices into our decision-making.

And to our clients: Dr Switkowski noted the excellent work our firm continues to deliver. Our promise to you is that the behaviour and ethics inside the walls of PwC Australia will match the unchallenged quality of service we deliver.

We are moving as quickly as possible towards our goals, however, we realise that meaningful change will take time and we are committed to getting this right.

From the top down, we are committed to rebuilding and re-earning the trust of our stakeholders.

This is our promise to our people, our clients, our communities and the Australian people.

Kevin Burrowes