PwC Australia

Audit Transparency Report 2026

Key results and commentary

1 July 2025 – 30 June 2026

Message from our CEO

Maintaining public confidence in our profession is an ongoing responsibility of every member of our firm. Recent years have been challenging for PwC Australia, and for our industry. We are learning important lessons, undertaking significant reform and recognise that this work is ongoing. We must continue to learn, challenge ourselves and demonstrate through our actions that we meet the high standards expected of us. This requires transparency, accountability and a commitment to continuous improvement.

Trust is not something we can take for granted; it is earned through our actions over time. When confidence in our profession is strong, it supports confidence in the markets more broadly, helping to enable investment, encourage innovation and support the long-term planning needed for a resilient and prosperous economy.

Culture is at the heart of our firm's strategy and central to our ongoing transformation. Our people have embraced our commitment to demonstrating curiosity, collaboration and constructive challenge, as we continue to create an environment where people feel safe to speak up. This is reinforced through our Culture in Action program, which encourages our people to make small and meaningful changes in their everyday behaviours.

As the assurance landscape evolves and demand for different services emerges, we are investing in our people to harness AI and emerging technologies responsibly, strengthen audit quality, improve efficiency and support better outcomes for clients. During the year, we expanded our AI capability-building initiatives, including a firm-wide AI Foundations course, executive AI training for partners and managing directors, and the growth of our AI Champions community to more than 100 Assurance members.

Earlier this year, Treasury released its Options Paper on the regulation of accounting, auditing and consulting firms. We welcome the opportunity to contribute to this important discussion and recognise our profession's responsibility to respond. The paper raises important questions for the profession, including around accountability, independence and governance. We will continue to engage constructively and to strengthen our own governance, accountability and transparency as the regulatory framework evolves.

We remain committed to reporting openly on our audit quality progress, including areas we need to improve. This report provides a thorough review of our system of quality management in 2026, alongside key measures of audit quality, including ASIC and PCAOB inspection outcomes, internal quality review results, client feedback, culture indicators and the investments we continue to make in our people and capabilities.

Importantly, this report also highlights areas where we need to improve. We are committed to addressing those areas, being transparent about our progress and continuing to strengthen the quality and integrity of our work.

I would like to thank our audit partners and teams for their hard work, professionalism and commitment throughout the year. Their focus on quality and integrity, and their willingness to challenge constructively, are central to delivering the high standards expected of our profession.

I also extend my thanks to our clients, regulators and wider stakeholders for their continued engagement. Their perspectives and challenge help us to continually improve as we play our part in strengthening confidence in Australia's financial reporting system.



Kevin Burrowes

CEO, PwC Australia



Message from our Assurance Leader

Our Assurance team remains focused on continuously learning, challenging ourselves and improving audit quality. We have made progress this year, but recognise there is more to do.

Audit quality remains our defining priority. We continue to invest in our system of quality management, governance and accountability, ethics programs and professional development. We are also strengthening our risk management practices and reinforcing a culture where our people feel safe to speak up, challenge constructively and take ownership of delivering high-quality audits.

Our clients tell us they see these behaviours in action. In 2026, 94% agreed that our teams bring a questioning mindset to the audit, while our people continued to recognise strong leadership behaviours across the practice. These outcomes reflect the culture we are building and our shared commitment to quality.

Audit quality is never 'done' – trust must be earned through sustained effort. We continually test whether our governance, systems and controls are operating as intended and where they can be further strengthened.

Quality starts with leadership, tone from the top and clear accountability. This year we have continued to reinforce expectations for confidentiality, quality and ethics, enhanced training, and strengthened the guardrails around how we tender for work. Independence is also fundamental to audit quality and confidence. Our independence framework includes dedicated leadership, firm-wide training and comprehensive compliance systems to support our teams to uphold these standards on every engagement.

We are also continuing to strengthen our governance and accountability. The three-year 10% remuneration deferral remains in place for members of the firm's Management Leadership Team, resulting in a rolling 30% of income withheld for potential clawback in the event of serious misconduct or a significant audit, regulatory or client service delivery failure. In addition to that, from 2027, we will also bring explicit responsibility for audit quality into our Governance Board framework and further enhance our existing 'fit and proper person' test which is applied to every partner in our firm.

Quality results at a glance

In 2026, we achieved a 90% audit quality score from client feedback and maintained strong results across our suite of quality indicators. Our PwC global network and our PCAOB file inspections were all found to be compliant, with opportunities to apply learnings identified. In its annual surveillance activity, ASIC identified audit findings in three file reviews, including one registrable superannuation entity file review. We have carefully considered ASIC's findings, conducted a root cause analysis of each, and incorporated the resulting actions into our quality improvement plan.

These results feed directly into our System of Quality Management. Continuous improvement is at the core, with a focus on identifying emerging risks, addressing findings and strengthening the quality of our work.

Adapting to a profession in transformation

The growing complexity of business and increasing expectations for assurance beyond financial reporting are expanding the skills and perspectives required in modern audit. Today, our teams draw on expertise across sustainability, cyber security, AI, technology, data analytics and risk, reflecting the broader role assurance plays in supporting confidence and trust.

Mandatory sustainability reporting represents a significant change for the assurance profession. This year our teams delivered more than 200 first year sustainability assurance engagements, helping our clients respond to new reporting requirements while building the capabilities needed for this evolving area of assurance.

We are also broadening our graduate recruitment, with 54% of our 2027 intake coming from non-accounting backgrounds. This expands our talent pool,

attracting candidates with strong technical, analytical, communication, and problem-solving skills. Our accelerated accounting upskilling program will support them to develop core accounting capabilities alongside an immersive AI experience that builds practical skills for a human-led, AI enabled environment. Together, these initiatives enable us to build more multidisciplinary teams who are equipped for the future of assurance.

The next generation of audit

All of our auditors now use secure generative AI in their every-day work. From accessing technical guidance to advanced agentic testing, it is changing how we deliver our audits. The next phase is Maestro, PwC's new AI-native core audit platform. This year our Australian teams were among the first in the PwC network to pilot Maestro, helping test how we enhance quality, consistency and insight. As these tools develop, responsible use remains fundamental. Our firm-wide Responsible AI Steerco provides governance over the use of AI in our business, for our clients and in our audits, supported by appropriate processes and controls.

Looking ahead

The pace of change across our profession will only accelerate. New technologies, evolving stakeholder expectations and expanding assurance requirements will continue to reshape how we work. While much will change, our commitment remains constant: delivering high-quality audits, developing exceptional people, embracing innovation responsibly and strengthening trust in the information that underpins Australia's capital markets.

I want to thank our audit partners and teams for the commitment and energy they have brought this year.



Sue Horlin
Assurance Leader,
PwC Australia



Statement on the firm's System of Quality Management

During the year, we completed our evaluation of the firm's System of Quality Management (SoQM) under ASQM 1. On behalf of PwC Australia, Sue Horlin, Assurance Leader, has evaluated whether our firm's SoQM provides us reasonable assurance that:

- The firm and its personnel fulfil their responsibilities in accordance with professional standards and applicable legal and regulatory requirements, and conduct engagements in accordance with such standards and requirements.
- Engagement reports issued by the firm or engagement partners are appropriate in the circumstances.

Based on all the relevant information of the firm's SoQM, as at 30 September 2025[1], we believe our SoQM provides us with reasonable assurance that the quality objectives noted above have been achieved.

The Transparency Report has been prepared to comply with Sections 332 to 332G of the *Corporations Act 2001* (the Act) and Regulation 2M.4A and Part 2 of Schedule 7A in the Corporations Regulations 2001 (Regulations) in Australia.

1 PwC Australia continues to perform monitoring activities following the 30 September 2025 evaluation. These activities support ongoing oversight of our quality management processes and have not identified any matters requiring a change to our reasonable assurance conclusion.



2026 Audit Quality

Key metrics

100%

compliance (2025: 100%) in internal quality inspections, with opportunities to apply learnings identified.

78%

of hours on ASX 100 30 June 2026 audits were senior associates and above in at least their second year of the audit – enhancing quality through team continuity (2025: 77%).

90%

overall quality score from 608 pieces of client feedback (2025: 88%).

3,948

purpose-built prompts and agentic skills have been used within ChatPwC, enhancing audit quality and efficiency.

87%

of audit respondents answered favourably to “The people I work with challenge me and each other to deliver quality work” (2025: 85%).

94%

of clients agree/strongly agree that our teams bring a questioning mindset to the audit (2025: 94%).



Audit quality and culture

Audit quality remains our defining priority. While technology is transforming how audits are performed and the scope of assurance continues to expand, the foundations of a quality audit remain unchanged. Independence, integrity, professional scepticism and human judgement sit at the heart of every engagement.

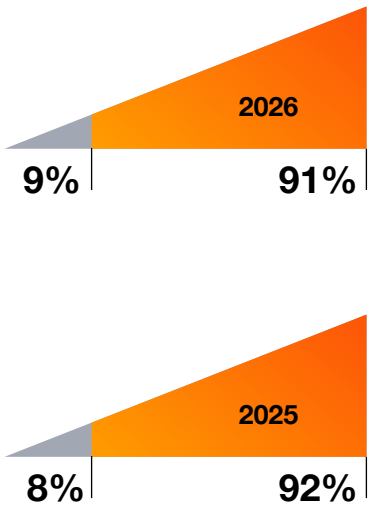
Culture is central to our firm strategy. Through our multi-year Culture in Action program, we are embedding the daily behaviours of curiosity, collaboration and challenge, that support sustainable high performance and a willingness to speak up and do the right thing.

We remain committed to reporting openly on our progress, including where outcomes fall short of our expectations.

01

PwC internal inspection results

PwC Australia is subject to globally coordinated quality inspections as part of the PwC network. In PwC's inspection program in 2026, 32 files were reviewed, all of which were found to be compliant with relevant PwC network or professional standards and policies. Three of these were rated compliant with improvement required. None of the findings required re-issue of the audit report. The learnings and root cause analysis form a key part of our annual Audit Quality Improvement Plan.



02

Regulator inspection results

PwC Australia is also subject to regular inspections by regulatory and professional bodies.

PCAOB reviews

The most recent PCAOB inspection was in September 2025 with the final inspection report issued to the firm in April 2026. The report did not identify any deficiencies with respect to the three inspected audit engagements or the firm's system of quality control.

ASIC audit surveillance

Across the financial year, ASIC conducted targeted surveillance reviews of four PwC Australia audit engagements – three companies and one registrable superannuation entity (RSE). They raised four audit findings across three of the files and identified other areas for improvement, all of which are detailed in their public reports. For each finding, we conducted root cause analysis and incorporated the resulting actions into our quality improvement plan.

CA ANZ reviews

In June 2026, CA ANZ commenced a targeted quality review of PwC Australia's current systems and processes for handling confidential audit client information and promoting an ethical culture. As at the date of this report, the review is ongoing.

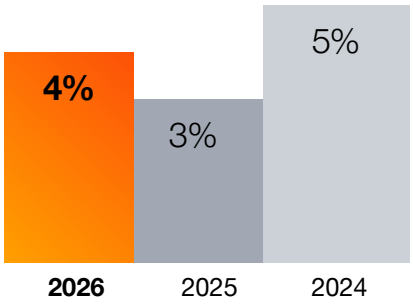
Restatements

There were no restatements resulting from findings identified in the 2026 reviews of PwC audited public companies by regulators or internal inspections.

03

Auditor independence

Independence is a fundamental part of audit quality because it supports objectivity. The Corporations Act 2001 prohibits an external auditor from performing certain services for their client. PwC has comprehensive internal policies to ensure our independence is not impaired. Non-audit services provided to PwC Australia's ASX 200 audit clients in 2026 were approximately 4% of audit fees (2025: 3%).



Non-audit fees as a percentage of audit fees for ASX 200 audit clients

<1%

Non-audit fees from ASX 200 audit clients as % of total firm revenue

(2025: <1%)

04

Leadership in ethics and quality

In 2026, our Assurance partners and staff received more than 6,000 pieces of feedback on their Leadership in Ethics and Quality – an anonymous survey on the quality behaviours demonstrated by partners and senior leaders.

Of the partners who received feedback from our people, they achieved an average score of

4.66/5

(2025: 9.7 out of 10)*

Of the senior staff grades who received feedback, they achieved an average score of

4.58/5

(2025: 9.5 out of 10)*

*2025 survey was scored out of 10

05

People and culture survey

PwC conducts an annual engagement survey, with questions asking how people are feeling about a range of areas including leadership, wellbeing and their perception of our culture and quality behaviours.

91%

of audit respondents answered favourably to "My team engages diverse perspectives and consults with specialists as needed, to perform quality work"

(2025: 90%)

91%

of audit respondents answered favourably to "The people I work with demonstrate conduct consistent with PwC's Code of Conduct"

(2025: 89%)

85%

of audit respondents answered favourably to "Our culture supports high quality outcomes"

(2025: 85%)

87%

of audit respondents answered favourably to "The people I work with challenge me and each other to deliver quality work"

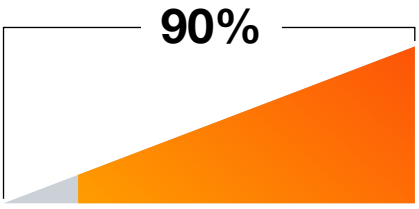
(2025: 85%)

06

Client listening

We ask our audit clients for their view on our levels of challenge and the quality of our audits, which we measure as a combined "Audit Quality Score". Client feedback provides one perspective on how audit quality is experienced. It complements, but does not replace, evidence from internal monitoring, external inspections, regulatory findings, restatements and other quality indicators.

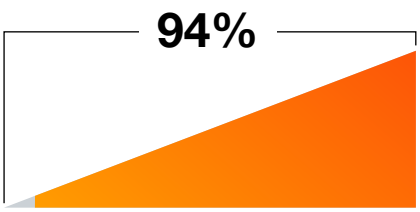
Audit quality score



audit quality score based on 608 external audit surveys

(2025: 88% from 654 external audit surveys)

Questioning mindset



strongly agree / agree that PwC brings a questioning mindset to our audit. Based on 608 external audit surveys

(2025: 94% from 654 external audit surveys)

Our people

The skills modern audit demands are changing. Today, our teams draw on expertise across sustainability, cyber security, AI, data analytics and technology. This is reflected in our graduate recruitment, with 54% of our 2027 intake coming from non-accounting backgrounds. In 2026, we made targeted investments to equip our people for this evolving landscape.

Sustainability assurance in practice:
Our teams delivered more than 200 sustainability assurance engagements in 2026, and we incorporated practical case studies and insights from the first round of mandatory climate reporting into our auditor training.

AI Foundations course:
In 2026 we launched a firm-wide AI Foundations course to build the confidence and capabilities needed to work, lead and deliver in the AI era, and grew our AI champions community to more than 100 Assurance members embedded across engagement teams.

Leadership Development and AI transformation:
We continue to invest in the quality of leadership across our firm. Over the last 18 months, partners, managing directors and directors have completed Leadership Reinvention, an immersive two-month program in which our leaders step away from day-to-day responsibilities to reflect on how they lead, strengthen peer connections and build the skills to foster a culture where quality, curiosity and constructive challenge thrive. In 2026, partners and managing directors also completed an eight-week executive AI coaching program focused on AI strategies for business transformation.

We also support our people's growth through curated learning pathways, grade-specific programs and structured on-the-job coaching.

01

Continuity

We have measured our "continuity rate" for senior associate grade through to partner for our ASX 100, 30 June year ends. Continuity from year to year drives a strong understanding of our clients' business, good sharing of information, and informed coaching of our junior staff – all key contributors to a quality audit.

78%

of hours on ASX 100 30 June 2026 audits were senior associates and above in at least their second year of the audit – enhancing quality through team continuity

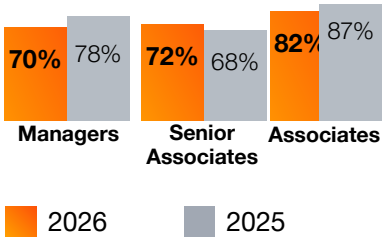
(2025: 77%)

02

Audit retention rate by staff level

Our audit staff retention rates continue to support the high team continuity that drives audit quality. We remain focused on attracting and retaining our talented people through a range of rewards, benefits and wellbeing initiatives, as well as investment in personal and professional development.

As audit evolves, so does the talent we need to deliver it. Our workforce strategy is shifting to attract specialists in AI, data, sustainability and emerging assurance alongside our core audit professionals. Audit-specific retention has decreased in some grades, which is a reflection of the mobility of our experienced people into new areas of our business and our investment in building our multidisciplinary teams that the future of assurance demands.



03

Our training investment in people

In 2026, our auditors undertook an average of 64 hours of formal auditing and accounting training through an engaging combination of face-to-face learning in client teams and virtual learning bursts. In addition to these formal auditing and accounting training hours, the firm continues to prioritise upskilling in digital tools and AI across all levels. Partners and managing directors completed an eight-week executive AI coaching program focused on AI strategies for business transformation, while, starting in 2027, all new graduates will participate in a week-long residential AI immersion program, bringing the entire cohort together for practical exposure to AI applications in everyday work and teaching responsible AI principles through hands-on client simulation exercises.

The reduction in 2026 learning hours for senior associates to partners reflects some one-off training programs delivered in 2025, primarily year 1 sustainability assurance training and targeted training supporting the rollout of PwC's next generation audit methodology.

Audit training: Average number of hours of auditing and accounting training mandated by PwC by grade 2026

	2026	2025
Partners	**31**	45
Managers/Directors	**37**	45
Senior Associates	**39**	45
Associates	**128**	116

Classroom and online training: Average hours achieved (audit, accounting and other training) by partners and staff

	2026	2025
Online	**25**	30
Classroom	**39**	54
Total	**64**	84
Total hours completed	**119,384**	130,581

04

Technical support for our teams

A leading indicator of our investment in our system of quality management is the ratio of partners in quality or technical roles compared to the total number of audit signing partners. Partners with senior risk and quality roles are highly valued and their remuneration is comparable to our experienced client-facing partners.

1:9

Ratio of partners serving in technical/audit quality support roles to the total number of audit signing partners

(2025: 1 : 9)



Enhancing audit quality through advanced technology

Technology enhances audit quality when it is matched by the judgement, scepticism and skill of the people who use it. That principle shapes every investment we make.

Over the past year, Australian teams were among the first in the PwC network to pilot Maestro, our new native audit platform, across client engagements, applying agentic AI to drive greater quality, consistency, efficiency and insight while keeping human decision-making at the centre of the audit. Beyond our platform investments, AI tools such as ChatPwC, our secure generative AI (GenAI) assistant, are increasingly embedded in day-to-day audit work. Through the development of purpose-built prompts and agentic skills, our teams are standardising how audit processes are performed across engagements, driving consistency and reinforcing audit quality.

Realising the full value of these tools requires equal investment in our people. In 2026, 90% of Assurance partners and staff completed PwC's AI Foundations course, building the skills and judgement needed to apply AI effectively while maintaining the professional scepticism and human oversight that remain central to audit quality.

Our use of AI in audit is governed by firm policies, approved-use requirements and human-review controls. Our audit professionals remain responsible for evaluating AI-supported outputs and for every audit judgement. Tools are subject to testing, validation, access controls, documentation requirements and escalation processes before and during use.

01

Market leading technology in our audits

100%

PwC audit clients on our single, globally consistent and AI-enabled audit platform, Aura

100%

PwC ASX 200 audit clients utilising our market-leading collaboration software, Connect, for secure sharing of information with the audit team

02

ChatPwC: PwC's state-of-the art AI assistant

3,948

purpose-built prompts and agentic skills have been used within ChatPwC, enhancing audit quality and efficiency

1.98m

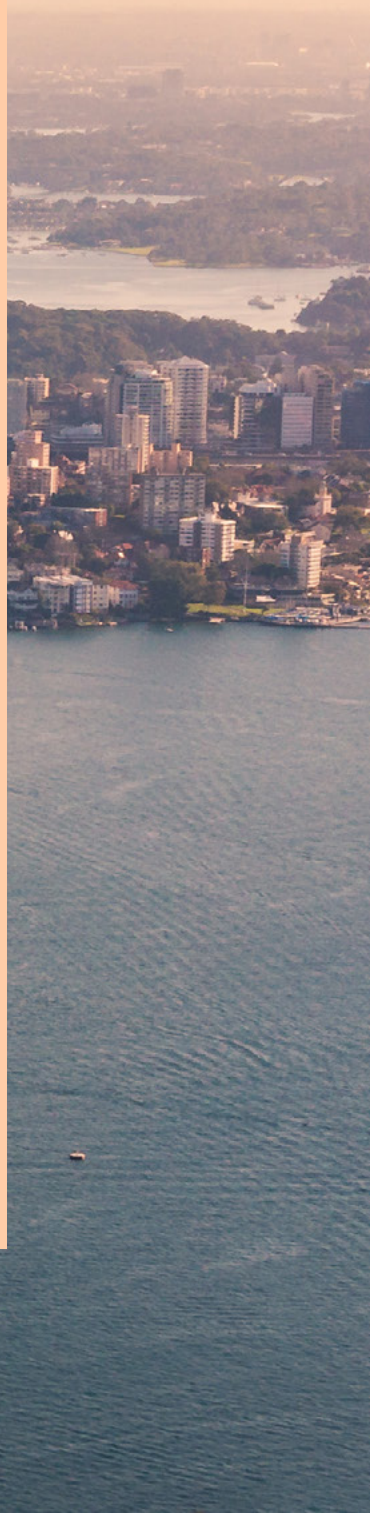
queries posted to ChatPwC by Assurance team members (2025: 1.3m queries)

90%

of Assurance partners and staff completed PwC's AI Foundations course, and all have completed mandatory responsible AI training

95%

of Assurance partners and managing directors undertook an executive program focused on AI strategies for business transformation



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