PwC Australia

Highlights from our Audit Transparency Report

1 July 2024 – 30 June 2025

Message from our CEO

In an era of heightened stakeholder expectations, rapid AI-adoption and a growing focus on sustainable business practices, high-quality audits have never been more essential. At PwC Australia, we are steadfast in our mission to deliver audits that meet this evolving mandate.

I am incredibly proud of what our firm achieved in FY25. In a period of significant change, growth and reform, we set the foundations for the firm we are becoming, demonstrating the same high standards we expect of our clients. At the same time, we have continued to invest in audit quality, and this report highlights an improvement in almost all of our key audit quality metrics.

We published our inaugural Annual Report, including audited financial statements and a remuneration report. The report outlined the firm's progress across key financial, cultural and community metrics, and aligned with ASX Corporate Governance Principles, to the extent applicable to a partnership.

We also publicly released the Independent Monitor Webb Henderson's report on our ongoing progress against our Commitments to Change Action Plan. They found that of the 47 actions we set out to achieve, 46 have now been implemented, or are well progressed against their timelines, and one is partially implemented.

Both steps have reinforced our commitment to transparency, strengthened accountability, and built deeper trust with our stakeholders.

FY25 also saw us launch a new strategy that puts culture at the heart, underpinned by three focus behaviours: curiosity, collaboration and challenge. These behaviours have been enthusiastically embraced by our auditors and the whole firm, enabling us to support our clients to respond to global trends, challenges and opportunities.

We've strengthened our relationships with our Alliance Partners to offer new AI services. And our Assurance for AI suite gives clients and the community confidence in unlocking the power of enterprise-scale AI.

I would like to thank our incredible audit teams for their dedication, care and open curiosity as they lean into the future of assurance. I also express my thanks to our audit clients, including the many I met with during the year. Thank you for your feedback and support.

We look forward to continuing to uphold our role as guardians of trust, driving confidence in the information that is integral to Australia's financial markets.

Kevin Burrowes
CEO, PwC Australia

Message from Assurance Leader

Sue Horlin
Assurance Leader, PwC Australia

As Assurance Leader at PwC Australia, it's my privilege to introduce our 2025 Audit Transparency Report. This report reflects not only the progress we've made in audit quality over the past year, but also the exciting future we are building together—one where people and technology combine to create the next generation of assurance.

Growing our people, going further

Audit quality depends not just on technical expertise, but on the judgement, integrity, and curiosity our teams bring to every engagement.

That's why we are investing more than ever in their growth—creating future-focused, tailored programs to sharpen leadership, deepen digital skills, and invest in industry expertise.

As AI tools and intelligent agents increasingly take on routine tasks in our audits, human skills like communication, critical thinking, and decision-making are even more valuable. This informs and drives our future-focused development programs, which grow leadership capability and drive inter-personal connection and learning between team members. In FY25 we were pleased to see both retention and engagement scores continue to increase across Assurance, as well as growing evidence that our critical behaviours of curiosity, challenge and collaboration are experienced by our people in their day-to-day team environment.

Transforming through technology

At the same time as investing in our people, we are embracing a wave of innovation that is transforming the way assurance is delivered. Over the past year we've introduced new AI-powered tools that have redefined what's possible—from automating the testing of thousands of loans, to streamlining reconciliations.

Most exciting of all, PwC Australia is one of the first firms in the world piloting our new end-to end AI-native audit platform. Built from the ground up with advanced AI models at its core and AI agents driving workflow and audit tasks, it is re-inventing audit delivery. Our teams participating in the pilot are gaining new skills through their opportunity to test, provide feedback, and learn from the global pilot program. This is not just an upgrade in technology—it's a step change in how we deliver trust and confidence to the market.

Looking ahead

Our commitment is clear: to deliver distinctive outcomes for our clients and the capital markets we serve. We are building a culture where growth, learning, and innovation are part of everyday life—for our people and for our profession.

In closing, I want to thank our teams. Their collaboration, curiosity and courage to challenge are driving real progress every day. Together, we are shaping the future of audit—one that is more insightful, more trusted, and more human.

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; and
- 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 31 March 2025 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 2011 (the Act) and Regulation 2M.4A and Part 2 of Schedule 7A in the Corporations Regulations 2001 (Regulations) in Australia.

2025 Audit Quality

Key highlights

9.7/10

average feedback score for partners based on internal staff Leadership in Quality surveys (+1%) from 13,700 pieces of feedback (+5%)

100%

compliance (+2%) in internal quality inspections, with no audit report changes or restatements

77%

continuity rate for senior associates and above on ASX100 audits (+3%) and improved retention rates for audit staff

94%

of clients agree / strongly agree that our teams bring a questioning mindset to the audit (+1%)

88%

overall quality score (+2%) from an increased volume of 654 pieces of client feedback (+42%)

>1.3m

queries posted to ChatPwC by Assurance team members (+480%)

44%

of new Assurance partners in 2025 are from diverse cultural backgrounds (+17%) with 56% being female

Quality highlights

Audit quality and culture

Throughout the year, our audit teams upheld the highest standards of quality and independence. We continued to embed a culture where audit quality remains our defining priority.

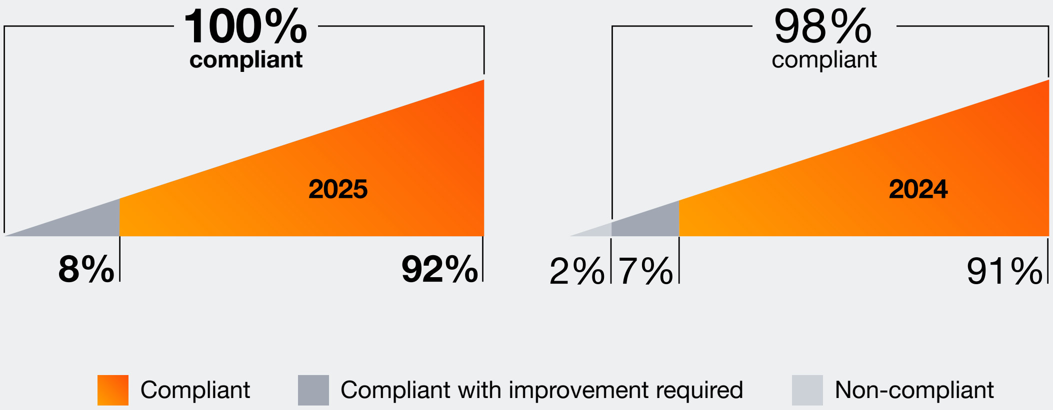
At the same time, we recognise the audit landscape is evolving at unprecedented speed. AI technology is transforming audit methodologies, and stakeholder needs and expectations are broadening—particularly around sustainability and non-financial reporting. We proactively embrace these changes, innovating and adapting our approach while steadfastly upholding the core values and behaviours that define audit quality.

Our collaborative culture embraces continuous learning through seeking open and transparent feedback. Over the past year, we have improved and expanded how we gather feedback from clients and colleagues, increasing the volume of useful insights we receive. By listening and taking clear action on this feedback, we make the assurance we provide more reliable and relevant.

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 2025, 35 files out of 38 reviewed were found to be compliant with relevant PwC network or professional standards and policies and 3 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

Restatements

In 2025, there were no cases where there was a resulting restatement, when issues were identified in external or internal audit inspections of PwC audits of public companies.

0

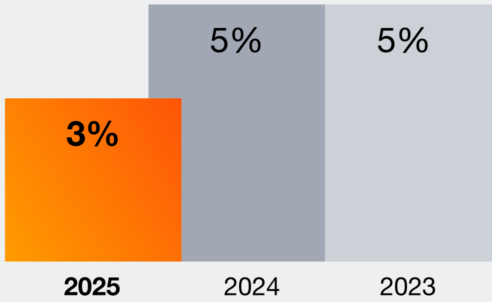
Restatements for public companies identified by external or internal inspections

(2024: 0)

03

Auditor independence

Independence is a fundamental part of audit quality because it supports objectivity. The Corporations Act 2001 (Cth) prohibits an external auditor from performing certain services for their client. PwC has comprehensive internal policies to ensure our independence is not impaired. During the year, we ceased the provision of certain permitted consulting services to SEC and ASX listed clients to enhance independence. Non-audit services provided to PwC Australia's ASX 200 audit clients in 2025 decreased to approximately 3% of audit fees (2024: 5%).



Non-audit fees as a percentage of audit fees for ASX200 audit clients

<1%

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

(2024: <1%)

04

Leadership in ethics and quality

In 2025, our Assurance partners and staff received more than 13,700 pieces of feedback on their Leadership in Ethics and Quality (2024: 13,000)—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

9.7/10

(2024: 9.6 out of 10)

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

9.5/10

(2024: 9.5 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.

90%

of audit respondents believe we consult subject matter or technical experts as necessary to enable us to perform quality work

(2024: 92%)

86%

of audit respondents report that our collaborative culture enables us to provide quality services to our clients

(2024: 84%)

85%

of audit respondents strongly agree / agree that our culture supports high quality outcomes

(2024: 86%)

85%

of audit respondents believe that our culture supports respectful challenge

(2024: 87%)

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”. The volume of feedback we have received increased by 42% this year.

Audit quality score

Based on 654 post external audit surveys

(2024: 86% from 460 external audit surveys)

Strongly agree / agree

that PwC brings a **questioning mindset** to our audit. Based on 654 post external audit surveys

(2024: 93% from 460 external audit surveys)

Quality highlights

Enhancing audit quality through advanced technology

The PwC audit is powered by a globally consistent technology suite, enhanced by secure AI. Our audit technology enables sharing information seamlessly with clients, improving quality, reducing effort, and providing deeper insights.

Our global AI Centre of Excellence in Australia is pioneering advanced techniques across our audits. Beyond AI-driven tools for financial statement verification and invoice matching, we now perform extensive testing on unstructured data. AI interprets large sets of documents, applying predefined criteria to perform comprehensive analysis. This year we also introduced Agentic AI that ingests client and third party data, reconciles and tests. Every PwC auditor in Australia undergoes robust digital training and uses these AI-enhanced tools to drive audit quality.

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 for secure sharing of audit information

02

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

510

custom-built prompts have been created within ChatPwC, providing a framework for meaningful engagement

2,863

Assurance active users of ChatPwC since rollout (+31%)

(2024: 2,187 Assurance active users)

1.3m

queries posted to ChatPwC by Assurance team members (+480%)

(2024: 225,000 queries)

458

Average queries per Assurance team member (+340%)

(2024: 103 average queries)

Quality highlights

Our people

With the development and adoption of innovative technology, human skills are becoming even more critical to audit quality. At the core of our Assurance strategy is future-focussed development—in 2025 we continued to invest in building critical skills to ensure our people are positioned to ensure quality in the rapidly changing environment. Examples include:

- **Leadership Reinvention:** Every partner and director is engaged through our immersive development program designed to equip our leaders with the skills needed to drive a culture-first organisation;
- **Sustainability Bootcamp:** Upskilled every one of our auditors on sustainability reporting in advance of mandatory assurance requirements coming into effect in 2026;
- **Comprehensive AI training:** Embedded a comprehensive AI training program within our core curriculum for all auditors to help accelerate our AI enhanced audits, empowering our auditors to focus on strategic interactions and decision making; and
- **AI Accelerator program:** Enables waves of staff to spend time in our global AI Centre of Excellence. As AI Champions they receive advanced training, content and tools and are part of a global community of AI leaders. These advanced skills are taken to their audit teams to upskill others and rapidly lift advanced AI adoption throughout the audit.

All of our team are encouraged to participate in future-focused development through protected learning time, as well as Assurance-wide campaigns to reinforce our commitment to development.

People quality metrics

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.

77%

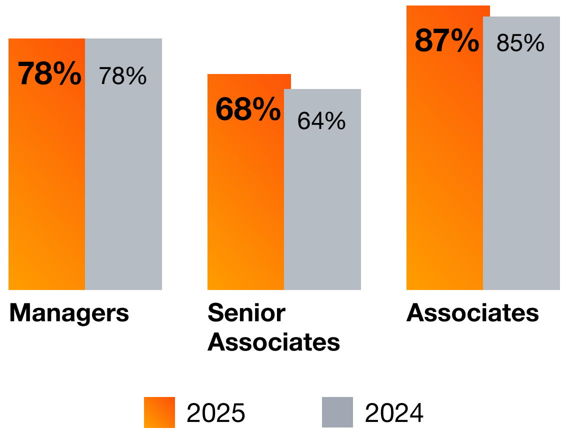
of senior associates and above for ASX100 30 June 25 year ends are in at least their 2nd year on the audit

(2024: 74%)

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.



03

Our training investment in people

In 2025, our auditors undertook an average of 84 hours of formal training through an engaging combination of face-to-face learning in client teams and virtual learning bursts. In addition to these formal training hours, programs such as Connected Coaching significantly increased on-the-job skill reinforcement with 1-1 tailored coaching for our new graduates.

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

	Partners	Managers/ Directors	Senior Associates	Associates
2025	**45**	**45**	**45**	**116**
2024	38	38	38	112

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

	Online	Classroom	Total	Total hours completed
2025	**30**	**54**	**84**	**130,581**
2024	33	55	88	141,091

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 most senior client facing partners.

1:9

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

(2024: 1 to 10)

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