



# Six-monthly update PwC Australia

29 January 2026



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## Foreword

### Acknowledgement of Country and Traditional Owners

We acknowledge and pay our respects to Aboriginal and Torres Strait Islander peoples as the First Peoples of this nation, upon whose ancestral lands and waters we work and live throughout what is now known as Australia. We honour the wisdom of, and pay respect to, Elders past and present. [View the location of our offices.](#)

## About this report

This report documents the initiatives PwC Australia has taken during the six months to 31 December 2025, to embed its enhanced governance, culture and accountability. It has been prepared on the recommendation of the Department of Finance's "**Examination of the ethical soundness of PricewaterhouseCoopers Australia**" report (the Department's report), released on 7 August 2025.<sup>1</sup> It includes detail on the status of PwC Australia's **Commitments to Change Action Plan**, as published in September 2023.<sup>2</sup>

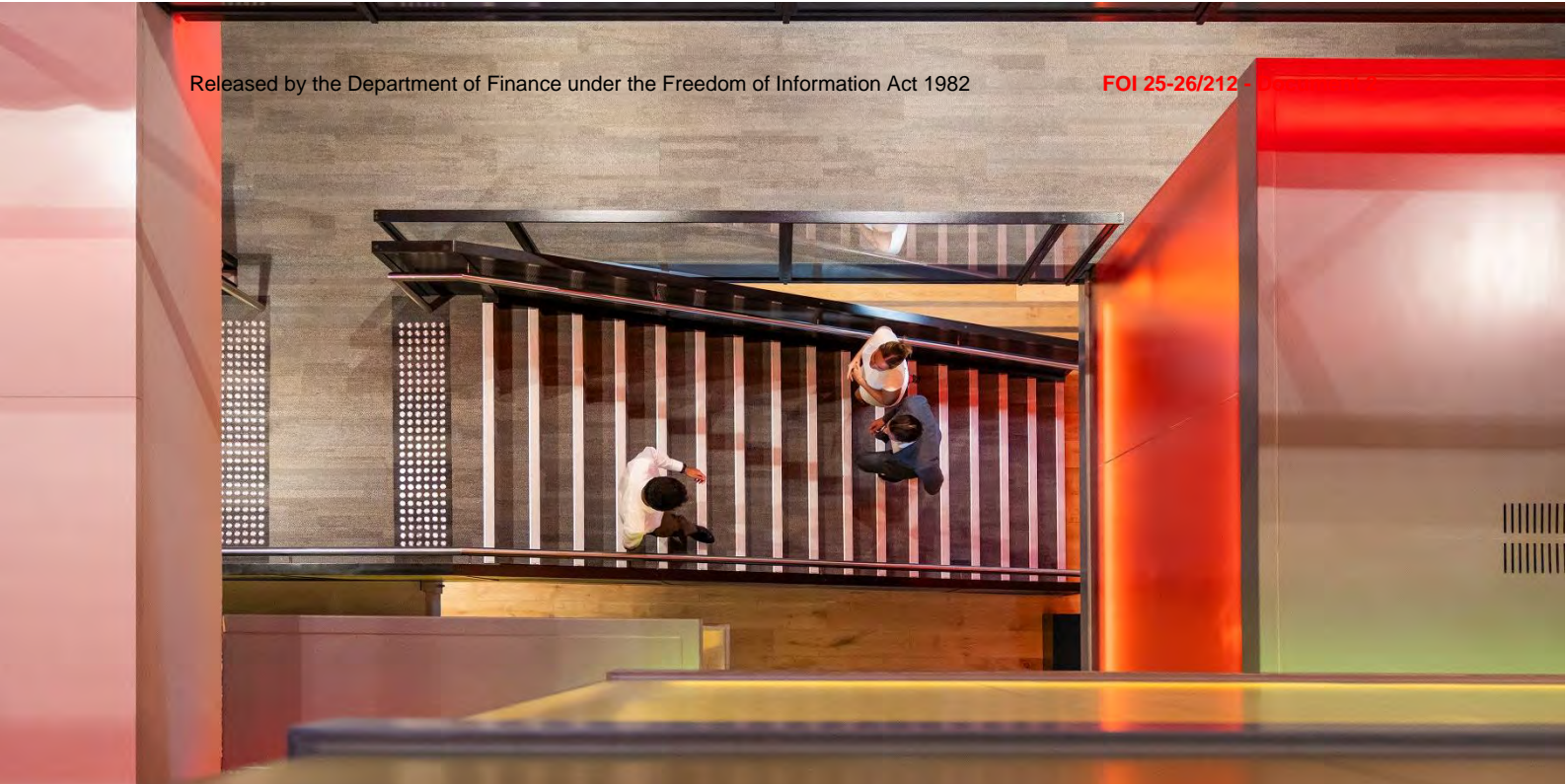
At the request of the Department of Finance (the Department), we have also included details of breaches of **PwC Australia's Code of Conduct**, Results of reviews and investigations from external bodies and any breaches of the Commonwealth Supplier Code of Conduct.

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<sup>1</sup> Department of Finance 2025, *Examination of the ethical soundness of PricewaterhouseCoopers Australia*, DoF, accessed 1 December 2025

<sup>2</sup> PricewaterhouseCoopers Australia, 2023, *PwC Australia's Commitments to Change Action Plan*, PwC, accessed 1 December 2025

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## Commitments to Change Action Plan: Our progress

### Action Plan

In 2023, Dr Ziggy Switkowski AO undertook a review of PwC's governance, culture and accountability<sup>3</sup>, which outlined 23 recommendations for the firm.

In response, PwC outlined its Action Plan, accepting all of Dr Switkowski's recommendations and detailing 47 specific actions the firm would take.

PwC also committed to the appointment of an independent monitor to assess progress against these actions. Law firm Webb Henderson was appointed and released their report in May 2025, with The Hon. Tom Bathurst AC KC, former Chief Justice of the Supreme Court of NSW, independently reviewing the work and findings of Webb Henderson ('**Independent Monitor's Report**').<sup>4</sup>

### Latest progress

We are proud to have delivered real progress on our Action Plan. **These actions are aligned to PwC's One Firm Strategy** and vision – to be the pre-eminent professional services firm with a leading culture, built on the highest ethical and professional standards, with integrity at the core of everything we do. We continue to build on this progress and embed the initiatives detailed in the Action Plan.

<sup>3</sup> Switkowski, Z. E. 2023, *Independent review of governance, culture and accountability at PwC Australia*, PwC, accessed on 1 December 2025

<sup>4</sup> Webb Henderson 2025, *Independent Review of PwC Australia's CTC Action Plan*, PwC, accessed on 1 December 2025

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The Department's report found that, at the time of its review, 40 of the actions in our Action Plan had been implemented, with seven outstanding. As at 31 December 2025, four of those seven have been completed, and two are well progressed against their timeline. Given significant positive changes to the Governance Board's independence, one action, relating to further amendments to the Partnership Agreement (described at 1 below), will not be progressed further.<sup>5</sup>

The detail and status of the seven outstanding implementation actions are outlined below – the recommendations and actions are as written in the initial Action Plan:

Recommendation	Action	Status
<b>1</b> Restructure the Board of Partners (Governance Board) to ensure adequate independence	<b>1.2</b> Changes to the Partnership Agreement will be proposed to allow for a majority of independent non-executives.	In addition to the three independent directors appointed during 2024, Wendy Stops commenced as PwC Australia's fourth independent director on 1 July 2025. Further details are provided in the 'Governance' section, beginning on page 7.
<b>10</b> Embed clearer accountabilities for risk across the firm	<b>10.2</b> A detailed review of risk accountabilities and governance is currently underway including responsibilities and processes across Business and Central Risk to support an effective 'Three Lines of Defence' model. Changes to accountabilities and roles will be completed following this review.	The implementation of Three Lines of Accountability (3LoA) is a multi-year program of work. It is in progress and due for completion by the end of 2027.  Significant progress has been made in implementing the 3LoA model, including establishing a risk maturity baseline and updating our balanced scorecard, discussed on page 12, to reflect risk behaviours and responsibilities. Additional improvements include clarifying roles for each line of accountability, enhancing stakeholder engagement through Board and Management Risk Committees and revising the firm's risk taxonomy, appetite and accountability to support AI ownership.  Further details are provided in the 'Accountability' section, beginning on page 12.  Implementation of this action is in progress.
<b>18</b> Conduct gap-analysis to a firm-wide target culture focused on restoring trust	<b>18.1</b> An initial culture gap analysis is underway using existing material including engagement surveys and cultural work that has been done in the separate businesses. The work done in	The below Actions relate to Culture (18.1, 19.1, 19.2 and 19.3) and are part of our holistic culture program. The culture gap analysis has concluded, with PwC having engaged external

<sup>5</sup> This action relates to allowing a majority of independent board members. The Independent Monitor found that Action 1.2 was partially complete because the Partnership Agreement requires the Partners to vote on a majority of independent non-executive members on the Governance Board. Our view is that the Governance Board has significantly enhanced its independence and has met Dr Switkowski's recommendations and so the firm does not plan to further amend the Partnership Agreement.

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	<p>the Assurance business focused on embedding critical behaviours and this work has been reported on to the Audit Quality Advisory Board that has advised that business since 2020 (having been established in late 2019). The initial culture gap analysis assessment will inform the design of an extensive culture program that will bring in external experts and is expected to run from Jan 2024 – Dec 2025.</p>	<p>experts to provide objective insights, guidance and collaboration throughout the design and implementation of our culture program.</p> <p>This action has been implemented.</p>
<p><b>19</b> Embed a challenger culture with action and ‘tone from the top’</p>	<p><b>19.1</b> A comprehensive program of work will be designed following completion of the gap analysis referred to in recommendation 18. External experts will be involved and the program will run from 2024 - 2025. Design will be complete by December 2023 leveraging work already performed through collection of engagement data and feedback and culture work performed in each of the businesses.</p>	<p>The initial design was completed in December 2023 and implementation of our Culture Program is a multi-year program of work. It is in progress and due for completion by the end of 2027.</p> <p>Further details are provided in the ‘Culture’ section, beginning on page 10.</p> <p>Implementation of this action is in progress.</p>
	<p><b>19.2</b> The program will focus on understanding and counteracting the “shadow sides” of PwC Australia’s cultural strengths as outlined on page 46 of Dr Switkowski’s Independent Review.</p> <p>Work on tone from the top has already started with the following initiatives underway:</p> <ul style="list-style-type: none"> <li>• increased communication with all partners and staff - including feedback sessions about key initiatives and policies. A firmwide engagement session will be held in October 2023.</li> <li>• strategy and Action Plan engagement sessions for all partners seeking feedback and challenge.</li> <li>• increased use of survey tools to test key initiatives and policies.</li> </ul>	<p>Following the culture gap analysis and external insights, the targeted Culture Program was developed.</p> <p>A regular cadence is in place for communication from the MLT to partners and staff. This ‘tone from the top’ has enabled clear, regular and consistent messaging across culture initiatives.</p> <p>In November 2025 PwC held its second Awards to recognise individuals and teams exemplifying the firm’s values and purpose.</p> <p>Leadership Reinvention training has been developed to build leadership capability and provide a consistent experience for all employees. As detailed on page 12, over half of our partners, managing directors and directors have completed this training to date.</p> <p>This action has been implemented.</p>
	<p><b>19.3</b> Leadership development is a critical pillar to developing a culture of effective challenge. PwC Australia will be an early adopter of a new PwC global leadership framework focused on partners and senior staff. In the context of creating a challenger culture, PwC Australia’s adoption of this framework will prioritise focus on behaviours such as ‘I speak the truth even when it is hard’ and ‘I act</p>	<p>The Evolved PwC Professional (EPP) framework has been integrated into key partner and employee experiences, establishing clear behavioural expectations for our people in their interactions with clients, society, and one another.</p> <p>This action has been implemented.</p>

	ethically and speak up about inappropriate behaviour’.	
<i>Additional PwC Australia Action</i>	<b>24.1</b> Publish comprehensive, audited financial statements by September 2025. In addition, other reporting required by the ASX Corporate Governance Principles including a Remuneration Report will be published.	PwC released its inaugural Annual Report, with audited financial statements and a remuneration report in June 2025, as detailed on page 9. The report has been published to our website. <sup>6</sup>  This action has been implemented.

<sup>6</sup> PricewaterhouseCoopers 2025, *PwC Australia Annual Report 2024*, PwC, accessed on 1 December 2025  
<sup>8</sup> Six-monthly update PwC Australia



## Governance

In the reporting period, PwC delivered three notable updates – publishing an inaugural Annual Report, appointing a fourth independent director to the Governance Board, and conducting a Board effectiveness review.

In June 2025, PwC published its inaugural Annual Report, including audited financial statements and a remuneration report. In a first for the industry, the report outlines the firm's **progress across key** financial, cultural and community metrics, and is aligned to the ASX Corporate Governance Principles as applicable to a partnership. The report delivered a new level of transparency for the firm, giving our clients, people and stakeholders an unprecedented level of knowledge around our firm's **performance**, governance and operations. This also marked the implementation of a key action from the firm's **Action** Plan (as noted above).

In addition to the three independent directors appointed during 2024, Wendy Stops commenced as PwC **Australia's** fourth independent director on 1 July 2025. Ms Stops is currently a non-executive director of Coles Group and was previously on the Board of the Commonwealth Bank of Australia and the Chair of Blackmores Group, among other board roles. Ms Stops brings significant technology expertise to the Governance Board, having held major technology roles across the Asia Pacific during her executive career with Accenture.

In August 2025, an independent external advisor completed a Board Effectiveness Review, finding that, overall, the Governance Board demonstrates strong commitment, constructive challenge, clear purpose, and sound governance foundations. The review combined interviews, document analysis, meeting observation, and benchmarking to assess board composition, roles and responsibilities, strategic oversight, risk and control, culture, stakeholder engagement, and committee effectiveness. This process

indicated the Governance Board is working effectively as it continues to embed the **firm's** enhanced governance framework. In October 2025, the Governance Board completed its annual review of committee performance, updated its charter and committee terms of reference, appointed Wendy Stops to the Risk Committee, and elevated public interest oversight to the Board.

In December 2025, the Board refreshed its Skills Matrix to confirm the appropriateness of identified skills and experience, adding Client Leadership and enhancing Technology, Cyber, and Data expertise with a focus on AI. The updated matrix will be published in the 2025 Annual Report, due March 2026.



## Culture

Culture is central to our One Firm strategy, and a robust portfolio of work underpins this commitment above and beyond the actions identified in our initial Action Plan. This portfolio of work is dedicated to the positive development of the firm's **culture and to creating lasting change**. Some examples of this work include:

Uplifting leadership capability and delivering a consistent experience for our people	As of July 2025, half of our partners, managing directors and directors have completed our Leadership Reinvention training with a goal to uplift the firm's leadership across the board, with our goal being to have 70% of this cohort complete the program by end May 2026..
Building a culture of sustainable high performance to support work and wellbeing	In July 2025, we launched Work Well, Stay Well, a firmwide approach to supporting leaders and our people to design and deliver work in a sustainable and psychologically safe way.
Ongoing measurement of culture to identify areas for improvement and track progress overtime	Working with a leading independent provider, we have established a quantifiable cultural baseline from which we will measure future improvement and embedment via a survey conducted every two years. We have been progressing the implementation of actions informed by this baseline research and associated insights, which were received in full in July 2025.

## Building leaders of the future

To set our people up for success, we continue to invest in their skills, capabilities and futures. This is at the heart of our Network-wide **People Value Proposition**, “**Grow here, go further**”, which was launched in April 2025. This program aims to make PwC a ‘best place to work’ and to attract and retain the best talent to partner with our clients to do the best work.<sup>7</sup>

Continuous learning is critical to our culture progress, as is providing the right opportunities for our people to learn and grow. Across the firm we are investing in learning opportunities for our people with a significant focus on responsible AI through learning academies and bootcamps, which are run regularly. In August, we launched our new AI-powered skills platform which helps our people to audit their skills and upskill via tailored learning courses.

All partners and managing directors have access to a leading AI executive education course from Kellogg Business School, and we are rolling out masterclasses unique to our director cohort.

We also have 500+ AI Champions across the firm to share their knowledge and encourage responsible AI uptake.

## Changing how our people are rewarded

To support our high-performing workforce, we have reset how we measure and reward our people.

Aligned to our One Firm strategy, we continue to embed our Balanced Scorecard for partners which brings together financial and non-financial metrics as the overall measure of success. Application of this scorecard (and appropriate metrics) has been extended to incorporate senior managers, directors, and managing directors for FY26. These metrics are aligned to our Balanced Scorecard which includes consideration of building the best place to work, a healthy brand, embedding core behaviours and systems (including risk, ethics and quality), AI fluency and responsible use, and sustainable growth for the firm. This work follows the introduction of a refreshed performance and reward cycle for FY25 and beyond with a shift in focus to measuring outcomes and behaviours – that is, what outcomes are delivered and the consistent behaviour in how those outcomes are delivered with our ‘3Cs’ – constructive challenge, unbounded curiosity and one firm collaboration – at the forefront. These are critical shifts in helping us build our leading culture.

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<sup>7</sup> In 2025, PwC was recognised as a Family Inclusive Workplace for 2024-26, a joint initiative led by UNICEF Australia and Parents At Work, reflecting the firm’s commitment to creating an inclusive culture and implementing family-inclusive policies, such as parental and miscarriage leave.

PwC also remains a Workplace Gender Equality Agency (WGEA) Employer of Choice for Gender Equality and, for the seventh time, were recognised as a Platinum Employer in the 2025 Pride in Diversity Australian Workplace Equality Index LGBTIQ+ awards.

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Clear expectations are established through a refreshed goal setting process introduced in August 2025 with feedback encouraged year-round for continuous learning.

An agile promotions approach is also currently being piloted across the three lines of service, which may then be introduced firmwide from FY27. This will allow people to be promoted at different times of the year, once they are ready, rather than waiting until the Annual Review process in June each year. This aligns with our approach to support our people to learn, grow, lead, and thrive in their careers at PwC.

## **Delivering outcomes in a sustainable way**

PwC Australia introduced the Work Well, Stay Well framework to support sustainable work practices and wellbeing. The initiative uses an evidence-based approach developed with the Future of Work Institute at Curtin University, providing resources and tools for staff and leaders to more effectively discuss and improve workplace wellbeing.

**The framework encourages open conversations about work and wellbeing, aligns with PwC's core behaviours, and supports ongoing career development as part of the firm's broader cultural change efforts.**



## Accountability

The firm continues to embed the Three Levels of Accountability (3LoA) model, and progress is being made toward the expected 2027 completion date. In June 2025, the Governance Board approved five principles for the firm's desired 3LoA operating model:

- **Risk is everyone's business**
- Responsibilities are clear
- Risk is best managed closest to the business
- No matrix reporting
- Independence is key

Accountability for implementation of these 3LoA activities sits with the Chief Risk and Ethics Officer. Over the course of the six months to 31 December 2025, the firm has completed the following activities in respect of the 3LoA action:

- Assessed risk maturity baseline
- Incorporated risk culture indicators into all internal audits
- Incorporated expectations of risk behaviours in the balanced scorecard, discussed above
- Documented responsibilities of Line 1, 2 and 3 roles, including all risk classes and control owners

- The Governance Board Risk Committee has received ongoing reports on the status of risk management across all the Firm's risk classes
- Revised the firm's **risk taxonomy**, appetite and accountability to address AI enablement and delivery across all relevant parts of the firm.

## PwC Code of Conduct

PwC expects our people to conduct themselves with the highest standards of ethical behaviour in all dealings, whether internal or with our clients and other stakeholders. The firm places great importance on training, which seeks to ensure our compliance with relevant laws, regulations, PwC Network Standards, client contractual obligations and our own policies.

PwC continually emphasises the business and ethical conduct framework, which includes:

**Consequences Management Policy and Compliance Gateway:** Together, the Consequence Management Policy and Compliance Gateway provide us with the framework to address instances of misconduct, including workplace behaviour issues, business integrity concerns and sexual harassment. The Policy seeks to ensure all our people are treated fairly and equitably, with independent oversight of investigations and outcomes.

**Speak Up initiatives:** Internally, we promote a Speak Up culture which encourages openness, transparency and challenge, ensuring our people feel safe to raise concerns, share ideas and report unethical behaviour without fear of retaliation. One of the key channels we point our people to is the Ethics Helpline, which allows open and anonymous reporting. This is managed centrally to ensure consistency in how we capture and escalate concerns.

The Ethics Helpline is also available to our clients and the public.

**People and Ethical Conduct Panel (the Panel):** When incidents of non-compliance or poor behaviour occur, the expectation is that issues are promptly identified, investigated, owned and managed, and appropriate consequences applied. The Panel serves as an escalation forum for certain conduct matters concerning both partners and employees. Outcomes from the Panel are communicated to the Management Leadership Team (**the MLT**) and Governance Board. The Panel comprises a minimum of three senior leaders in the firm, including from the Ethics and Business Conduct leadership.

A summary of all issues, concerns or matters raised through **the firm's** Ethics Helpline, including those referred to the Panel is reported to and discussed by the firm's **MLT and Governance Board Risk Committee**. This discussion includes analysis of trends and themes to ensure management brings a whole-of-firm perspective to the table.

In the period 1 July 2025 – 31 December 2025, of the 84 matters reported through formal channels, including our Ethics Helpline, eight were deemed serious misconduct complaints and tabled with the Panel. Of these, PwC recorded five substantiated breaches of the firm’s Code of Conduct, with action taken. Full year figures for 2025 will be recorded in our 2025 Annual Report.

Substantiated serious matter	Instances (n=5)
Bullying, harassment and other workplace misconduct	4
Sexual harassment	0
Data breaches	1
Action taken	Result (n=5)
Written warnings (including financial penalties, counselling and training)	2
Exit from the firm (including termination and resignation)	3

The firm maintains a focus on preventing bribery and corruption by employing stringent risk management protocols to prevent and detect financial crimes, including money-laundering, tax-evasion, fraud and embezzlement. There were no allegations or confirmed incidents of bribery or corruption during the period.

## External reviews and investigations

In addition to PwC network and internal quality reviews, PwC Australia is subject to regular inspections and reviews by regulatory and professional bodies. With many global clients, some are performed by overseas regulators. We take the findings from all external reviews seriously, and we incorporate root causes and remedial actions into our improvement plans.

During the six months to December 31, 2025, the following reports and outcomes were published:

- ASIC’s periodic audit quality review, which considered two PwC engagements during the period 1 July 2024 to 30 June 2025. One finding in each engagement was identified but no restatements were required.
- ASIC published its industry-wide surveillance reports into auditor independence and conflicts of interest. In addition, it published a report into registrable superannuation entities’ financial reporting. ASIC requested all firms review the findings and prepare a self-assessment and action plan by 30 January 2026.
- CA ANZ completed its triennial review of the firm’s quality control procedures, including monitoring and oversight by regulators. No findings were made. It also completed two further

reviews in relation to the firm's **management of confidentiality agreements and training integrity**.

A single recommendation for each was made, which the firm has accepted.

- In September, the PCAOB completed its review across the **Assurance business' system of quality management** and a selection of engagements. PwC understands no findings will be made.

During the period, the TPB published its findings and took action against two former partners of the firm. Investigations into historical matters continue. We are assisting where required.

The firm also published an independent review of the Multi-Disciplinary Protocol (MDP) in place for our Tax & Legal business.<sup>8</sup> The review, conducted by Mr Bruce Quigley, former ATO Second Commissioner and Member of the Panel of Expert Advisors at International Monetary Fund, was part of a three-year remediation program to strengthen processes, training and oversight. The publication of this report marks the end of that program.

## Commonwealth Supplier Code of Conduct

PwC's non-compete agreement with Scyne prohibits the firm from bidding on general government consulting contracts until 9 November, 2028. Under the terms of this same agreement, the prohibition on bidding for general contracts with government-owned corporations expired in November 2025. The firm has elected to adhere to these expired non-compete conditions at the current time.

We have implemented a formal process to confirm knowledge of and adherence to the Commonwealth Supplier Code of Conduct, both at an individual and firm level. A training module has been developed and will be rolled out for personnel delivering services to Australian Government and Public Sector entities in the first half of 2026.

For period 1 July – 31 December 2025, we are not aware of and nothing has come to our attention that would cause us to have a potential or actual breach of the Commonwealth Supplier Code of Conduct.

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<sup>8</sup> *Quigley, B 2025, PwCA: Review of Design and Operational Effectiveness of Multi Disciplinary Partnership Protocol*, PwC, accessed on 1 December, 2025.