

Prices and revenue

Introduction

The questions posed by Senator Whish-Wilson in relation to prices and revenues go to confidential matters of considerable commercial sensitivity in the highly competitive audit and consulting services markets. We are concerned that disclosure of that information by Deloitte and other members of our industry, if it became public or otherwise disclosed, could inadvertently have an anti-competitive effect (we note that voluntary disclosure of this data in other circumstances may be deemed to be anti-competitive). It could also otherwise provide a material commercial advantage or adversely affect those disclosing.

With this in mind, we have collated and produced some summary material which we believe will assist the Inquiry in relation to these questions.

Question 1

Over the past five years, what has been the growth in the average hourly charge-out rate for:

- a. Auditing services?*
- b. Other assurance services?*
- c. Non-assurance services?*

This information is confidential.

Question 2

What are the most up-to-date figures on the percentage of revenue Deloitte received from:

- a. Auditing services?*
- b. Other assurance services?*
- c. Non-assurance services*

Section 332 of the Corporations Act 2001 requires Deloitte to publish an annual transparency report. The revenue values published in Deloitte's 2019 Transparency Report are shown in Table 1. The 2019 Transparency Report was prepared for the period 1 July 2018 – 30 June 2019. Deloitte's full Transparency Report is available online [here](#).

Table 1: Breakdown of Deloitte's revenue published in the 2019 Transparency Report

Service	Revenue (\$m)	Revenue (%)
Audits of financial statements	288	12.56%
Non-audit services to audit clients ¹	122	5.32%
Non-audit services to non-audit clients	1,883	82.12%
Total Firm revenue	2,293	100%

Question 3

What are the profit margins that Deloitte earned from:

- a. Auditing services?
- b. Other assurance services?
- c. Non-assurance services?

This information is confidential.

¹ These services comprise assurance, audit related and non-audit services permissible under the applicable Independence obligations