

CORRECTION



Inquiry into the regulation of auditing in Australia – Questions on Notice from Senator Whish-Wilson: PricewaterhouseCoopers

Prices and Revenue

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?
2. What are the most up-to-date figures on the percentage of revenue PwC received from:
 - a. Auditing services?
 - b. Other assurance services?
 - c. Non-assurance services?
3. What are the profit margins that PwC earned from:
 - a. Auditing services?
 - b. Other assurance services?
 - c. Non-assurance services?

PwC Response

1. Using the Compound Annual Growth Rate, for the previous five years (based on revenue) the growth rate for Audit services is 5%. The growth rate over the same period for the entire firm is 10% (this includes “other assurance” and “non-assurance services” categories).

For non-audit services supplied to audit clients, the Compound Annual Growth Rate for the previous five years (based on revenue) was 3%.

2. The most up-to-date figures on the % of revenue across PwC Australia is as follows:
 - Revenue relating to audits of financial statements: 17%
 - Revenue for other services provided to audit clients: 8%
 - Revenue for other services provided to non-audit clients: 75%
3. The level of profitability from auditing services is slightly above the margins earned across PwC’s other businesses. Further information on our profitability can be found in our full year results announcement for 2018/19: <https://www.pwc.com.au/press-room/2019/pwc-revenue-results.html>



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PwC Response

1. Using the Compound Annual Growth Rate, for the previous five years (based on revenue) the growth rate for Audit services is 5%. The growth rate over the same period for the entire firm is 10% (this includes “other assurance” and “non-assurance services” categories).

For non-audit services supplied to audit clients, the Compound Annual Growth Rate for the previous five years (based on revenue) was 3%.

2. The most up-to-date figures on the % of revenue across PwC Australia is as follows:

- Revenue relating to audits of financial statements: 17%
- Revenue for other services provided to audit clients: 11%
- Revenue for other services provided to non-audit clients: 72%

3. The level of profitability from auditing services is slightly above the margins earned across PwC’s other businesses. Further information on our profitability can be found in our full year results announcement for 2018/19: <https://www.pwc.com.au/press-room/2019/pwc-revenue-results.html>