

**ESTIMATES BRIEF – Hot Issue****INTEGRITY IN PROCUREMENT****Supplementary Budget Estimates – October 2025****Integrity in procurement****Subject/Issue**

The Government requires the highest ethical standards from suppliers and has taken action to deter misconduct and strengthen governance frameworks.

**Key Facts and Figures**

- In May 2023, the notification of significant event clauses were introduced to improve reporting of events.
- From 1 July 2024 the Supplier Code of Conduct was introduced. The Code sets out the Commonwealth's minimum expectations of suppliers, their personnel, and their subcontractors while under contract with the Commonwealth.

**PwC Australia**

- Since Finance finalised its review on 8 August 2025, PwC has not won any competitive tender process.
  - One new contract between the Australian Government and PwC has been established in line with judicial orders for PwC to act as a court appointed liquidator (CN4186035).
  - A list of currently active PWC contracts is provided at Attachment D.

**Key points****Examination of the ethical soundness of PwC Australia**

- Finance's examination of the ethical soundness of PwC Australia (the Report) was published on 8 August 2025. The Report concluded that PwC Australia has implemented and/or revised its policies and process to meet the ethical standards of governance, culture, and accountability to support PwC Australia's re-engagement with the Australian Government.
  - The Commonwealth Procurement Rules state that "except where required by law, it is the government's policy position that ministers will not:
    - be involved in the conduct of procurement processes; or
    - direct officials about the conduct of procurement processes."

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- Finance's Report concluded that Commonwealth entities should treat PwC Australia as they would any other potential supplier when undertaking procurement processes.
- It is highly unlikely that PwC Australia will secure significant Government work over the next four years.
  - PwC Australia are not on the Management Advisory Services panel; and
  - As part of the sale of the consultancy business to form Scyne Advisory, PwC Australia agreed not to compete for contracts in the general government sector for a period of five years (to 9 November 2028) and two years for Public Financial Corporations (PFCs) and Public Non-Financial Corporations (PNFCs) (to 9 November 2025).
- Finance will monitor PwC Australia for two years to ensure PwC Australia's meets the high ethical standards expected by the Commonwealth, noting:
  - Requirements for PwC Australia to notify Finance of any breaches of the Supplier Code of Conduct;
  - PwC Australia to provide Finance with six monthly updates on embedding commitments to change; and
  - Finance will engagement with any Australian Government entities that contract with PwC Australia.
- Finance will respond if future announcements provide new information and a reassessment of PwC Australia's ethical soundness is necessary.
- A timeline of events for the PwC Australia matter is at Attachment A.
- Additional actions responding to the PwC Australia matter are being led by Treasury.

**Senate Order 23F**

- The Senate agreed to the biannual tabling of reports in the Senate detailing expenditure on consultancy contracts valued at \$2 million or higher, on 3 July 2024 (Senate Order 23F) (Attachment ).
  - The first response to Senate Order 23F, for the period 1 July 2024 – 31 December 2024, was tabled on 23 January 2025.
  - The second response to Senate Order 23F, for the period 1 January 2025 – 30 June 2025, was tabled on 22 July 2025
  - No notifications under the Code were reported in the first two statements.

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### Public Governance, Performance and Accountability Amendment (Ban Unethical Contractors) Bill 2025 (Unethical Contractors Bill)

- The Government is considering the Bill and will respond when the matter is before the parliament.

### Background

Finance's review considered parliamentary reports, independent reviews and PwC Australia's documents as well as engaging with PwC Australia and a range of stakeholders including:

- PwC Australia's appointed independent Board members and PwC's appointed independent monitor, Webb Henderson.
- Senators Barbara Pocock, Deb O'Neill and Richard Colbeck
- Commonwealth entities with active contracts with PwC Australia.
- Regulators and law enforcement, including the Australian Federal Police and the Tax Practitioners Board.

### Confidentiality and Conflict of Interest Reviews

Finance was allocated \$5.9 million over four years from 2023-24 (and \$0.6 million per year ongoing) within the 2023-24 Mid-Year Economic Fiscal Outlook measure, Responding to the PricewaterhouseCoopers Matter to:

- review Commonwealth confidentiality arrangements across all Government agencies to improve the ability to detect and respond to breaches of confidentiality
- review the scope of conflict-of-interest disclosure processes and guidance, and
- explore options to increase the transparency and visibility of where Commonwealth contracts have been terminated for material breach.

The review was completed at the end of December 2024, delivering a standard definition of COI, key risk-based principles, and a Resource Management Guide that enabled a unified, consistent approach to the management of conflicts across the APS.

### Supporting information

#### Questions on Notice

- F009. Senate Order 23F Consulting Services. Additional Estimate 2024-25, 25 February 2025. Response Date: 24 March 2025.

#### Freedom of Information (FOI) Requests

- No FOIs asked

#### Recent Ministerial Comments

- In response to questioning by Greens senator Barbara Pocock about PwC being allowed to tender for work, Finance Minister Senator Gallagher said:
  - "It is a matter for the department."
  - "I get a lot of feedback about how people would like ministers to get more involved in procurement. I think there are very good reasons why we don't."

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- "It was a voluntary agreement that was reached for PwC not to procure from or not to seek contracts from government for a period of time,"
- "Finance undertook some detailed work and sought commitments and assurances from them that work has been completed, and the advice to me from Finance was that ... With all the assurance and undertakings that [PwC had] given, it was appropriate to allow them to bid for work."

**Relevant Media Reporting**

- [Labor decision to lift ban on PwC 'an insult' to inquiry that investigated Treasury scandal, Pocock says](#), Henry Belot, The Guardian, 7 August 2025
- [Another PwC former partner deregistered for integrity breaches](#), Chris Johnson, PS News, 13 August 2025
- [Has Finance lost the plot? Perhaps the Audit Office should look at them](#), Jack Waterford, The Canberra Times, 15 August 2025
- ['Ministers are not involved': Gallagher speaks on Finance's PwC call](#), Dana Daniel & Sienna Seychell, The Canberra Times, 5 September 2025
- [Greens in call to blacklist PwC](#), David Ross, The Australian, 5 September 2025
- [Former PwC chief executive's registration terminated](#), Tom Ravlic, The Mandarin, 10 September 2025

**Date sent to MO:** 17/09/2025  
**Cleared by (SES):** Gareth Sebar  
**Telephone No:** 02 6215 3516  
**Group/Division:** Commercial Group / Procurement Division  
**Contact Officer:** s22  
**Telephone No:** s22  
**Consultation:** Nil  
**PDR Number:** SB25-000080

**INTEGRITY IN PROCUREMENT****Attachment A****PricewaterhouseCoopers Australia – timeline of events**

- January 2023 – A Tax Practitioners Board (TPB) investigation identified unauthorised disclosures of confidential information between colleagues at PwC Australia, failing to manage conflicts of interest in relation to the sharing of confidential information. A PwC Australia tax partner is deregistered (the Collins matter).
- January 2023 – Finance became aware of the Collins matter through media and wrote to PwC Australia to remind it of the requirement to maintain confidentiality and sought assurance of actions to prevent a further breach of confidentiality.
- March 2023 – the Senate referred an inquiry into the management and assurance of integrity by consulting services for the Australian Government to the Senate Finance and Public Administration References Committee.
- May 2023 - TPB tabled emails in Parliament highlighting confidentiality breaches and the number of PwC Australia staff involved in the matter. Inquiries and investigations were instigated (referral to the Australian Federal Police, TPB investigations into current and former partners of PwC Australia).
- May 2023 – PwC announced the appointment of Dr Zygmunt Switkowski to lead an independent review of PwC Australia's governance, accountability and culture.
- May 2023 – Finance became aware that the confidentiality breach was broader than one individual and directed PwC Australia to withdraw personnel who were involved in or had knowledge of the confidentiality breach from all existing and future contracts under the management advisory services panel at least until the review by Switkowski was complete. Personnel removed were recommended not to be involved in any other Commonwealth contract. PwC Australia agreed.
- May 2023 – The Notification of Significant Events clauses were introduced.
- May 2023 – Finance released a Procurement Policy Note reminding officials that they must consider previous behaviour, including ethical conduct of an organisation, when considering value for money.
- June 2023 – The inquiry into the management and assurance of integrity by consulting services report "PwC: A calculated breach of trust" was released.
- July 2023 – Allegro Funds Pty Ltd bought the PwC public consulting arm and established Scyne Advisory (Scyne).
- August 2023 – A joint Media Release by the Treasurer, the Hon Jim Chalmers MP, Minister for Finance, Senator the Hon Katy Gallagher, the Attorney-General, the Hon Mark Drayfus MP and Assistant Treasurer, the Hon Stephen Jones MP sets out Government responses to the Collins matter.
- September 2023 – The "Review of Governance, Culture and Accountability at PwC Australia" (the Switkowski Review) was released in full.

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- September 2023 – PwC published “PwC Australia’s Commitments to Change – Response to the findings of Dr Ziggy Switkowski AO and recent events at PwC Australia”.
- November 2023 – Scyne was separated from PwC and becomes an independent business. Scyne begins providing services.
- January 2024 – The Australian Government finalised an assessment of Scyne’s ethical soundness and concluded that it has appropriate governance, accountability and ethical frameworks in place to contract with the Commonwealth.
- January 2024 – Novation of contracts from PwC Australia to Scyne was agreed.
- March 2024 - The inquiry into the management and assurance of integrity by consulting services report “PwC: The Cover-up Worsens the Crime” was released.
- April 2024 – The Australian Government agreed with PwC that PwC Australia would not bid for any new Commonwealth Work until 1 December 2024.
  - November 2024 – The agreement was extended to 30 June 2025.
  - June 2025 – The agreement was extended to 14 July 2025.
- June 2024 - the Senate Finance and Public Administration References Committee into the management and assurance of integrity by consulting services final report was released.
- May 2025 – The “Independent Review of PwC Australia’s CTC Action Plan” by Webb Henderson was released.
- August 2025 – Finance released the Examination of the ethical soundness of PricewaterhouseCoopers Australia.



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Supplementary Budget Estimates – October 2025

Attachment B

***Summary of measures announced by the Treasurer***

- On 6 August 2023, the Treasurer announced the following measures (see below for media release):
- (Finance initiatives at bottom of table are highlighted in yellow)

| Strengthening tax system integrity        |  |  |
|---|--|--|
|   | Measure  | Description  |
| 1.  | Tax promoter penalties – broaden scope   | Broadening the scope of important definitions e.g. ‘promoter’, and ‘tax exploitation scheme’.<br>Expanding the law to prevent tax practitioners from promoting schemes but implementing them in an incompatible manner to ATO rulings. |
| 2.  | Tax promoter penalties – more time for ATO   | Extending the time the ATO can investigate promoter activity and commence civil penalty proceedings from four years to six years since conduct was engaged in.   |
| 3.  | Tax promoter penalties – higher penalties & extending penalties to significant global entities | Increasing the maximum civil penalties for promoters of tax exploitation schemes.<br>Extending the penalties to global parent entities or member of a group with more than \$1 billion income.   |
| 4.  | Tax promoter penalties – Treasury review   | Conducting a review of the promoter penalty laws to ensure the ATO’s response mechanisms are fit for purpose.  |
| 5.  | Secrecy laws – disclosure of breaches of confidence  | Amending secrecy provisions so the ATO and TPB can disclose suspected breaches of confidence to the Treasury. Treasury can then appropriately respond, including by disclosing information to Ministers or other agencies.             |
| 6.  | Secrecy laws – disclosure of misconduct to professional associations                           | Amending secrecy provisions so the ATO and TPB can disclose misconduct to professional associations or disciplinary bodies.  |
| 7.  | Secrecy laws – Treasury review   | Conducting a review of the secrecy provisions that apply to the ATO and TPB including whether there are additional circumstances when information should be shared with other regulatory agencies.                                     |
| 8.  | Enhancing the ATO investigation and information gathering powers – Treasury review             | Conducting a review of the ATO’s information gathering powers to ensure they are fit for purpose and support AFP investigations of offences related to the tax and superannuation systems.   |
| 9.  | Tackling fraud against the ATO and the tax and superannuation systems – Treasury review        | Conducting a review of emerging fraud threats, to improve the ATO’s ability to detect and address fraud perpetrated by tax practitioners.  |
| Enhancing regulation of tax practitioners |  |  |
|   | Measure  | Description  |
| 10.                                       | TPB funding to increase scrutiny of tax practitioners  | Increasing TPB compliance investigations into high-risk tax practitioners and unregistered preparers through \$30.4 m of funding from October 2022-23 Budget.  |



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|     |   |  |
|-----|---|--|
| 11. | Enhancing TPB investigations  | Extending the TPB's timeframe to complete investigations of misconduct and breaching registration requirements.  |
| 12. | TPB Register  | Improving the functionality and utility of the TPB Register to identify misconduct and improve transparency of individual tax agents with companies they represent.  |
| 13. | Whistleblower reforms – TPB as a recipient  | Extending the tax whistleblower protections to whistleblowers who disclose misconduct to the TPB.  |
| 14. | Schedule 3 to the Treasury Laws Amendment (2023 Measures No. 1) Bill 2023                           | Lifting standards in the tax profession by: <ul style="list-style-type: none"> <li>• creating financial independence for the TPB from the ATO;</li> <li>• requiring tax practitioners to not employ a disqualified entity without the TPB's approval;</li> <li>• converting the three-year registration cycle for tax practitioners to an annual registration cycle; and</li> <li>• enabling the Minister to supplement the existing Code of Professional Conduct to ensure appropriate behaviour by tax practitioners.</li> </ul> |
| 15. | Updating the TPB Code of conduct if Treasury Laws Amendment (2023 Measures No. 1) Bill 2023 passes. | Expanding the TPB Code of Professional Conduct to address the behaviours and practices exhibited in the PwC-Collins matter.  |
| 16. | Stronger TPB sanctions for misconduct – Treasury review   | Conducting a review of the sanctions available to the TPB to discipline tax practitioners who have engaged in misconduct.  |
| 17. | TPB Review – Registration requirements – Treasury review  | Conducting a review of the TPB's registration requirements for tax practitioners, focussing on education, qualification and experience requirements for new entrants and existing practitioners.   |

**Cross-cutting reform**

|     | Measure   | Description   |
|-----|---|---|
| 18. | Partnership governance and integrity – large accounting, assurance and consultancy businesses – Treasury review | Conducting a review of the legal, policy and governance of accounting, assurance and consultancy firms to identify gaps and potential improvements.   |
| 19. | Cross-departmental review – legal professional privilege in Commonwealth investigations                         | Conducting a review of legal professional privilege in Commonwealth investigations and whether they are being misused to slow down or obstruct federal investigations and legitimate regulatory action. |
| 20. | Statutory review of tax and corporate whistleblower laws  | Conducting a review of the tax and corporate whistleblowing laws.   |



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| Department of Finance |   |   |
|-----------------------|---|---|
| 21.                   | Whole of Government review of confidentiality agreements and conflicts of interest in procurement | <p>The Department of Finance (Finance) will undertake a review of confidentiality and conflict of interest procedures. The review will cover procurements, grants and other financial arrangements. This will include:</p> <ul style="list-style-type: none"> <li>• Reviewing existing confidentiality provisions and processes;</li> <li>• Creating fit for purpose and enforceable confidentiality clauses to strengthen Commonwealth contracts; and</li> <li>• Considering opportunities to enhance conflict of interest disclosure processes for tenderers and suppliers.</li> </ul> <p>The review will support greater consistency across government for confidentiality and conflict of interest procedures.</p> <p>This was identified as a short-term measure for delivery within six-12 months. Approved funding spanning two years.</p> |
| 22.                   | Whole of Government approach for reporting contract terminations                                  | <p>Finance will scope options to improve the transparency of contracts which have been terminated due to material breach.</p> <p>Improved transparency will enhance the ability of the Commonwealth to make more informed procurement decisions and will act as a deterrent against unethical behaviour by suppliers.</p> <p>The Government will consider this matter further, once the initial scoping work has been completed.</p> <p>This was identified as a long-term measure for consideration by ERC within three years. Approved funding for one year.</p> <p>It was agreed Finance and AGD would return to Government with options in the Treasury-led comeback.</p>   |

**ESTIMATES BRIEF – Hot Issue****INTEGRITY IN PROCUREMENT****Supplementary Budget Estimates – October 2025****Attachment C****Senate of Australia****Procedural Orders of Continuing Effect: Orders for Documents****23F Consulting services<sup>1</sup>**

That, with reference to recommendation 12 of the Finance and Public Administration References Committee's final report on its inquiry into management and assurance of integrity by consulting services—

1. There be laid on the table by the Minister for Finance biannual statements on expenditure on consultancy contracts which provide for consideration to the value of \$2 million or more, by all Australian Public Service departments and agencies.
2. The statements are due not later than the twenty-first day after the end of the preceding six-month period commencing 1 January and 1 July.
3. Each report is to include, in relation to each contract, details of the:
  - a. AusTender contract notice identification number;
  - b. contract value;
  - c. subject matter;
  - d. duration;
  - e. contracting government agency;
  - f. firm or entity providing the work;
  - g. an explanation of what the contract is expected to deliver/purpose of the contract;
  - h. any changes or extensions; and
  - i. instances where a notification was received under the Supplier Code of Conduct in the conduct of the work.
4. Each report is to include the total amount of all current consultancy contracts in each agency or department.
5. The order is of continuing effect until the Finance and Public Administration References Committee has reported to the Senate that recommendation 8 of the final report of the inquiry into management and assurance of integrity by consulting services has been implemented.

*(3 July 2024 J.3619)*

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<sup>1</sup> [Orders for documents – Parliament of Australia \(aph.gov.au\)](https://aph.gov.au), sourced 9 October 2024

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Supplementary Budget Estimates – October 2025

Attachment D

Active PWC Contracts published on AusTender as at the 15<sup>th</sup> September 2025

| Agency   | Contract Notice ID | Contract Description                          | Firm                       | Value           | Start Date | End Date   |
|--|--------------------|---|----------------------------|-----------------|------------|------------|
| Department of Employment and Workplace Relations | CN4186035          | Insolvency Services                           | PRICEWATERHOU<br>SECOOPERS | \$10,322.40     | 3/09/2025  | 30/06/2026 |
| Department of Employment and Workplace Relations | CN4102702          | Insolvency Services                           | PRICEWATERHOU<br>SECOOPERS | \$18,494.30     | 17/10/2024 | 30/06/2026 |
| Australian National Audit Office                 | CN4031467          | NBN Co Ltd<br>financial<br>statements 24 - 26 | PRICEWATERHOU<br>SECOOPERS | \$11,471,907.00 | 1/02/2024  | 31/01/2027 |