



2 February 2024

Patrick Hodder  
Committee Secretary  
Senate Finance and Public Administration References Committee  
PO Box 6100  
Parliament House  
Canberra ACT 2600

Dear Committee Secretary,

**Senate Finance and Public Administration References Committee  
Questions on Notice received on 11 January 2024**

We refer to the Questions on Notice from Senator Barbara Pocock in her role as a member of the Committee received on 11 January 2024, with a due date of 2 February 2024. We provide our responses below.

Please contact me if you would like to discuss our response.

Yours faithfully,

Jan McCahey  
Chief Risk and Ethics Leader  
PwC Australia



## Questions on Notice

1. Please provide in excel format the following:
  - a. Each APS and state/territory public sector contract awarded to your firm from FY13 to FY23, by jurisdiction.
  - b. The initial tendered value of each contract and the final total amount billed.
  - c. Whether each contract was subject to public, select/limited tender or was sole/directly sourced.
  - d. A brief description of the service provided.
  - e. The name of the partner responsible for each engagement.

In November 2023, PwC Australia divested its federal and state government consulting business to Allegro Funds. As a result of this transaction, much of the information requested either relates to individuals no longer with PwC Australia, or is confidential and commercially sensitive information. Our engagement with federal and state government and public sector entities is now restricted to a limited number of services as agreed as part of the transaction with Allegro.

We do not ordinarily retain information in the format specified above. We have previously supplied information to this Inquiry relevant to the financial years FY18 to FY22. Below is an extract from our response to Questions on Notice dated 7 July 2023 which highlights that between 21% and 27% of our revenue in this period was public sector related.

4. *Please provide details of your partnership revenue for the past 5 years, by year, distinguishing its various main sources (e.g. tax advice, auditing, consultancy, etc).*

\$m

	FY22	FY21	FY20	FY19	FY18
Assurance	730	670	630	590	530
Consulting	740	610	610	660	590
Financial Advisory	1,060	880	840	870	810
Other	60	60	70	50	70
Overseas	250	210	250	190	160
Disbursements	170	160	190	240	190
<b>Total</b>	<b>3,010</b>	<b>2,590</b>	<b>2,590</b>	<b>2,600</b>	<b>2,350</b>



**6. Please indicate the percentage of revenue from public sector work compared to private sector.**

For the financial year ended 30 June, the details for each of the previous five years are as follows:

	Public sector	Private sector
FY22	27%	73%
FY21	24%	76%
FY20	22%	78%
FY19	21%	79%
FY18	22%	78%

Information in relation to individual contracts is publicly available through government websites, such as Aus Tender. (<https://www.tenders.gov.au/>).

In relation to reconciling revenue recorded by state/territory and commonwealth governments (eg, through Aus Tender) as against our own internal records or those held by clients, as outlined in previous submissions to the government we have identified a number of challenges in this area. Below is an extract from our 18 January 2018 submission to the Joint Committee of Public Accounts and Audit - Inquiry based on Auditor-General's report No. 19 (2017-18) which outlines some of these challenges.

**Revenue that PwC Australia earned from Federal Government service provision over the past 5 years.**

As noted in the Auditor-General's report, the transparency and accuracy of the AusTender data is a continuing issue. Using our own business as an example, we note that in the Auditor-General's report all PwC revenues were described as "consultancy". PwC, as a professional services firm, has three businesses: Assurance, Consulting and Financial Advisory.

The report also stated that PwC's total value of supplier contracts over the 5-year period 2012-13 to 2016-17 was \$523.532m, however our own reporting shows a lower figure of \$442.411m. We believe that the difference between PwC's amount and that reported by the Auditor-General could be due to a number of factors, including:

- Timing differences
- Accruals accounting
- The AusTender data include estimates for panel contracts, whereas the PwC data includes actual revenues earned from panels.



**2. Please provide details of all client-focused committees, teams, forums or other meetings or discussions, however named, convened to focus on particular agencies, public utilities and/or departments; commonly called ‘client service teams’ but may be called any other name, in the past two years.**

The government consulting business which PwC Australia recently divested had an organisational structure that was built around Industries and Capabilities (“a matrix structure”). These were as follows:

- 1) Industries: Government, Health, Infrastructure, and Defence
- 2) Capabilities: Transformation, Cloud & Digital, and Integrated Infrastructure.

Within a number of these Industries and Capabilities functions there were more granular client focused teams, for example the industry group ‘Government’ included a number of client teams split between federal and state government clients.

Supporting these Industries and Capabilities were a number of support functions, these included Markets & Alliances; People, Diversity & Inclusion; Service Delivery; and Operations.

There were also a number of Client Lead Partners within the consulting business who were responsible for managing individual client relationships, including government and public sector clients.

**3. Please provide all instances of relationship maps, power maps or any other representations of public sector officials used in context of each of those forums identified in the answer to question 2, in the last two years.**

PwC Australia does not engage in the practice of ‘Power Mapping’ or maintain records that characterise public servants by influence, relationships to one another or attitude towards consultancies in general.

PwC Australia does, however, undertake the common business practice of maintaining lists (including tables) of clients and client contacts in a Customer Relationship Management (CRM) system.



- 4. Please provide all instances of 'sales', 'revenue', 'work won' and/or billing targets or achievements, relevant to each public sector client or potential client/s identified in the answer to question 2, in the past two years.**

Please refer to our answer to Question 1 above in relation to details of public sector revenue that PwC has previously made available to this Inquiry, and to information that is publicly available regarding public sector contracts.

- 5. Please provide the name/s and level of each partner or any other member of your business who plays or who has played since 1 January 2023, a 'client lead partner' role in respect of each public sector client or potential client.**

Due to privacy considerations and given some of these individuals may no longer be with PwC Australia following the divestment of our federal and state government consulting business to Scyne Advisory, PwC Australia is not in a position to provide individual names.

- 6. Please provide in detail the purpose and function of each client lead partner, in respect of each public sector client, as listed in answer to question 5.**

In the government consulting business, which PwC has divested, there were a number of Client Lead Partners who were responsible for managing individual client relationships, including government and public sector clients. Due to privacy concerns, PwC Australia is not in a position to provide individual names.

- 7. Please identify the role of these client lead partners in respect of any of those forums identified by your answer to question 2.**

Please refer to our answer in question 6.

- 8. Please provide in excel format details of all expenditure that benefited public sector officials or departments/entities from FY13 to FY23, detailing the following:**
  - a. The amount of expenditure each year, by the official's agency and jurisdiction.**
  - b. What the expenditure was incurred for (e.g. entertainment, event hosting, conference or sporting tickets, travel and accommodation to attend conferences etc).**
  - c. In respect of each, please advise who attended from your firm and the level and agency (but not name) of the official/s in attendance.**

As outlined in our previous response to a question on notice, PwC spent approximately \$12,000 AUD on ATO Second Commissioner Mr Hirschhorn's attendance at a PwC Global Tax Symposium in November 2019.



PwC Australia regularly engages with public sector officials and elected political officials through various forums and events, many of which PwC Australia may host or sponsor. This is a common business practice for professional services firms across Australia.

All partners and staff are required to comply with our policies including a requirement to never solicit, accept or offer, either directly or indirectly, a gift, including personal favours, benefits, travel, entertainment or services, (including to family members) that could be perceived to compromise the recipient's integrity or objectivity. All partners and staff must confirm their compliance with our policies on an annual basis.

In December 2023, our Management Leadership Team agreed an updated Gifts and Entertainment Policy which now includes a requirement for all gifts and entertainment meeting certain criteria to be recorded in a central register.

- 9. Please provide in excel format details of all expenditure that benefited elected political officials, from FY13 to FY23, detailing the following:**
- a. The amount of expenditure each year, by the beneficiary/i.e. agency and jurisdiction**
  - b. What the expenditure was incurred for (e.g. entertainment, event hosting, conference or sporting tickets, travel and accommodation to attend conferences etc).**
  - c. In respect of each please advise who attended from your firm and the name and any parliamentary or executive roles held by each politician in attendance.**

Last year PwC Australia ceased political donations. In 2023, we disclosed that for the financial year 2022/23, we donated \$369,972 to political parties.

PwC Australia has always declared political donations in accordance with the requirements of the Australian Electoral Commission. Our filings with the Australian Electoral Commission can be found at <https://transparency.aec.gov.au/>.

PwC Australia does not require its staff to disclose individual donations made in a personal capacity.

As noted in our response to question 8 above, PwC regularly engages with public sector officials and elected political officials through various forums and events, many of which we may host or sponsor. This is a common business practice for professional services firms across Australia.



**10. In respect of the Department of Finance’s recent MAS panel refresh please provide:**

- a. Your complete answers regarding any adverse findings or comments regarding ethical or professional issues.**
- b. Confirm whether any of your referees received hospitality or benefits contained in your answer to question 8 above.**

We understand that there was a refresh of the MAS panel in November/December 2023, when PwC Australia was no longer a member of the MAS panel.

**11. Do you wish to amend or correct any aspect of the evidence you have provided to the Committee in prior appearances, written submissions, correspondence, and answers on notice?**

See response below.

**12. If you wish to correct any evidence previously provided, please provide a detailed written explanation of the change and the reason/s for that change.**

With respect to questions 11 and 12, we have not identified any areas of evidence that we would seek to amend or correct, other than what we have previously communicated with the Committee. If there is any specific evidence you may wish to discuss further, we would be pleased to engage with the Committee on these matters.