

## OFFICIAL

Colleagues

As you may be aware, PricewaterhouseCoopers (PwC) Australia's former head of international tax, Mr Peter Collins, was part of a confidential consultation undertaken by Treasury between 2013 and 2018 to develop tax laws relating to multinational tax avoidance.

An investigation conducted by the Tax Practitioners Board (TPB) found Mr Collins had made unlawful disclosures of confidential information to colleagues at PwC. See details here: <https://www.tpb.gov.au/tax-practitioner/tax-agent/39805002>. The TPB recently tabled in Parliament certain emails uncovered during the investigation in a response to Senate questions on notice, highlighting the significant extent to which breaches occurred. Mr Collins has been deregistered as a tax agent for a period of 2 years. In addition, the TPB ordered PwC to take steps to ensure it manages conflicts of interest appropriately.

The behaviours and actions undertaken by Mr Collins were egregious and the subsequent information that has come to light about the use of that information, and the management of this issue, within PwC is deeply concerning.

Treasury and Finance have been coordinating advice on how to deal with PwC from a whole of government perspective and deterring such conduct in the future. Treasury is also undertaking a range of measures to prevent a similar breach occurring again.

Whilst the actions undertaken by Mr Collins and PwC were not undertaken under a procurement contract, it provides a timely opportunity to bolster the integrity requirements of the Commonwealth Procurement Framework.

We have taken a number of actions I would like to bring your attention to.

- We have directed PwC to stand down personnel directly involved in, or who had knowledge of, the significant breach from all existing and future contracts under the Management Advisory Services Panel and requesting PwC stand down these personnel in all Commonwealth contracts until the review of PwC's culture and governance (to be led by Ziggy Switkowski) is complete at which point this direction will be reviewed.
- We have published a procurement policy note on the Finance [website](#), reminding procuring officials that they must consider the previous behaviour, including ethical conduct, of an organisation when undertaking value for money assessments.
- We have provided greater flexibility for contract managers to terminate a contract for material breach, including in relation to performance that is beyond the specific contractual arrangement, by updating the [Commonwealth Contracting Suite](#) and [ClauseBank](#) to include model clauses that will allow this and require ongoing notification so that contract managers are aware of such behaviour as soon as it is found.
- And we are varying the head agreement for all 413 suppliers that are on the Management Advisory Services Panel over the coming weeks to include these strengthened clauses. This would allow Finance to remove a supplier from the Panel and cancel all existing and future contracts, including in respect of behaviour that is outside the specific scope of the services delivered under the Panel.

The actions the Government has taken to date is a first step, with work ongoing to develop a Supplier Code of Conduct which will outline which will outline the behavioural standards expected from suppliers during procurement processes and while under contract.

Given this issue, I ask you all to re-familiarise yourself with the [Commonwealth Procurement Rules](#), the updated procurement policy note and ask all staff to carefully consider procurement arrangements on a case-by-case basis, noting that ethical conduct is a key element of the value for money consideration.

Jenny Wilkinson  
Secretary



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The Department of Finance acknowledges the traditional custodians of the land on which we work and we pay our respects to Elders past, present and future.

