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Ms Palmer
Secretary
Senate Finance and Public Administration References Committee
PO Box 6100, Parliament House
Canberra, ACT

12 August 2019

Email: FPA.SEN@aph.gov.au

RE: Compliance by former Ministers of State with the requirements of the Prime Minister's Statement of Ministerial Standards inquiry

Dear Ms Palmer,

Thank you for the opportunity to provide a submission to this inquiry. I am pleased to make this submission as EY's defence industry leader.

EY is a professional services firm that provides assurance, tax, transactions and advisory services to a range of public and private sector clients.

EY's engagement with Mr Pyne does not require him to assist EY or its clients to tender for government contracts.

EY's Defence Teams

I lead EY's defence industry team. The defence industry team provides services to the private defence industry. These services are the same as those which EY offers to any other private sector clients in Australia (for example business transformation, risk management, assurance and taxation services).

The EY defence government team provides services to the Department of Defence, including key reforms with workforce, information technology and strategic advice relating to organisational change, in addition to risk reform and implementation.

Summary of EY's Engagement with Mr Pyne

On 8 April 2019, I met with Mr Pyne to discuss his retirement from politics. At this meeting, we discussed Mr Pyne's post-retirement plans, and his interest in utilising his experience as a politician and Minister to assist a professional services firm grow their private sector defence industry business.

EY subsequently formed a view that Mr Pyne's 26 years' experience as a politician would be beneficial to EY's strategy in growing our defence industry practice, via engaging him as a consultant.

After the election was called on 11 April 2019, EY made a formal offer to Mr Pyne to commence with EY as a consultant.

The consulting agreement commenced on 7 June 2019 and requires Mr Pyne to provide EY with consulting services for two days a month for a period of 6 months, with an option to extend.

Services performed by Mr Pyne

In his role as an Executive Consultant, Mr Pyne has been asked to:

- make defence industry clients aware of EY when a request is made of him for a recommendation of a relevant professional services firm;
- meet with EY's defence industry team to advise them on how best to engage with the defence industry, based on his 26 years' experience as a politician;
- attend initial meetings with private sector clients to introduce EY as a reputable provider of professional services;
- speak at relevant defence industry events as a representative of EY;
- advise EY's defence industry team on our growth strategy; and
- provide advice on the interpretation of Department of Defence policy documents, such as the Defence White Paper.

The Statement of Ministerial Standards

Mr Pyne has provided the undertakings under paragraph 2.25 of the Statement of Ministerial Standards, and is obliged to comply with them. Ultimately, only Mr Pyne can ensure compliance with the Statement of Ministerial Standards.

In regard to whether Mr Pyne's engagement with EY breaches the Statement of Ministerial Standards, EY refers the committee to Dr Martin Parkinson's letter to the Prime Minister dated 19 July 2019. This letter concluded that Mr Pyne had not breached the Statement of Ministerial Standards in his engagement with EY.

Consistent with our public statements on this matter, EY has not, and will not, seek that Mr Pyne lobby, advocate or have business meetings with members of the government, parliament, public service or defence force on any matters on which he has had official dealings as Minister in his last 18 months in office.

EY requires that Mr Pyne will maintain confidentiality over, and not seek to take personal advantage of, information to which he had access as a Minister where that information is not generally available to the public. EY has not sought, nor has Mr Pyne provided to EY, any confidential information to which Mr Pyne had access as a Minister.



EY's Global Code of Conduct requires all employees and contractors (including consultants) to 'comply with laws, regulations and standards that apply to us in our professional conduct' and to 'respect and protect confidential information obtained from, or relating to, our clients or third parties.'

EY requires all of our employees and contractors to abide by this code of conduct during their employment or engagement with EY.

Further, the terms of EY's consultancy agreement with Mr Pyne, expressly require that Mr Pyne will, during the term of the consultancy agreement, comply with all legislation, regulations, codes of conduct and Australian standards applicable to the services, and will comply with the standards, policies and guidelines issued by any applicable regulatory or professional body.

To assist the inquiry, EY has attached as Appendix A, a timeline that summarises the dates contained in this submission.

Thank you for the opportunity to make a submission to this inquiry.

Yours sincerely,

Mark Stewart
Partner
Defence Industry Leader

Appendix A: Timeline of events

Date	Event
1 March 2019	EY scheduled to host a Future SA Forum with Mr Pyne. However, the event is postponed by Future SA on 22 February 2019
2 March 2019	Mr Pyne announces his retirement from his political career
7 March 2019	Mr Stewart contacted Mr Pyne to request a meeting to discuss his post retirement plans. Meeting established for 8 April 2019
15 March 2019	EY hosts the Future SA Forum, which is attended by Mr Pyne
8 April 2019	EY met with Mr Pyne to discuss his retirement from politics. At this meeting, they discussed Mr Pyne's post-retirement plans and his interest in utilising his experience as a politician and Minister to assist a professional services firm grow their private sector defence industry business
11 April 2019	2019 Federal election announced
17 April 2019	Mr Stewart (on behalf of EY) makes a formal offer to Mr Pyne
20 April 2019	Mr Pyne accepts offer and suggests start date of 1 June 2019
18 May 2019	2019 Federal election
7 June 2019	Consultancy agreement commences