

## Senate Standing Committee on Finance and Public Administration

### Scyne Advisory answers to Questions on Notice (QoN)

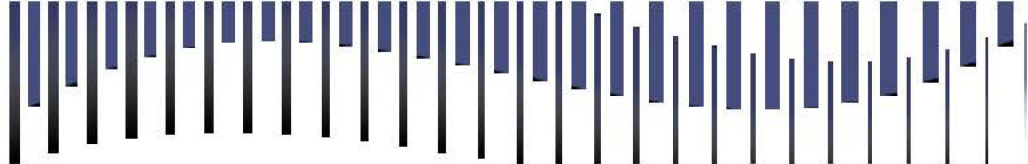
**To:** Scyne Advisory

**From:** Senator O'Neill

**QoN:** Clearly, your insights are of great interest to the committee. I invite each of you from PwC to provide on notice a 'compare and contrast' with the structures and practices, culturally, around governance and also ethical standards that you see now in your particular work because you are experts in PwC and now you're experts in Scyne. A compare and contrast would be quite helpful.

**Answer:**

- Scyne Advisory has only been in existence since 9 November 2023 so our reflections need to be considered in light of the short time we've had in our new business. However, we can point to two clear differences:
  1. **Governance:** The partnership structure, as observed in the Switkowski review, effectively creates a system of self-governance whereas the corporate structure that Scyne Advisory has adopted has a traditional board structure including board sub-committees, and the reporting requirements and independence that brings. The corporate structure ensures proper accountabilities in terms of decision-making and oversight, with a clear distinction between the roles of the executive and the board, compared to the partnership model where those in governance positions are still ultimately responsible to the CEO. In the corporate model we operate within, the CEO is appointed and removed by the Board.
  2. **Conflict Management:** Scyne Advisory has two very clear differences in respect of conflicts. The events that led to the establishment of Scyne Advisory showed us that no matter how well developed your conflict management system, the inherent conflict within the multi-disciplinary partnership model is very difficult to manage. We recognise that this is not the only issue that can create conflict and that working with various governments also means that there are risks. That is why we have built a thorough and comprehensive review process for project acceptance that practically enables us to manage the risks associated with conflict management. This is of course much easier to manage without the risk of serving both the public purpose and the for-profit sector. Our conflict of interest process has escalation to and oversight by the Probity, Conflict and Ethics Committee, chaired by one of our independent non-executive directors.



**To:** Scyne Advisory

**From:** Senator Pocock

**QoN:** Thanks for taking on notice the number and value of contracts. Could you also in that response give us the agencies and departments that they are with? How many of those contracts through the novation processes have you initiated? What's the total value of those contracts? Could you give us that on notice?

**Answer:**

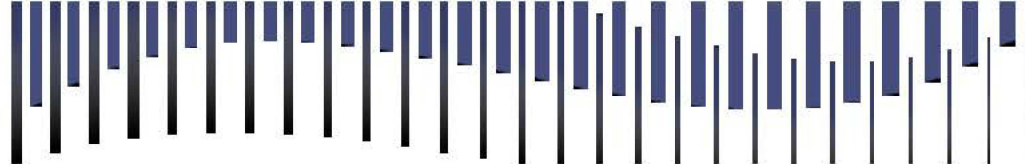
- As per AusTender (accessed 1 March 2024), Scyne Advisory has been awarded 7 government contracts since we commenced on 9 November 2023:

CN ID	Agency	Value (AUD)
CN4026005	Department of Health and Aged Care	\$ 1,064,320.87
CN4036066	Department of Defence	\$ 2,753,988.80
CN4037432	Department of Defence	\$1,154,333.75
CN4037433	Department of Defence	\$2,781,021.38
CN4031460	Department of Industry, Science and Resources	\$ 85,000.00
CN4032461	Department of Foreign Affairs and Trade	\$ 328,570.00
CN4034385	Department of Infrastructure, Transport, Regional Development, Communications and the Arts	\$ 198,473.00

<b>Total</b>	<b>\$ 8,365,707.80</b>
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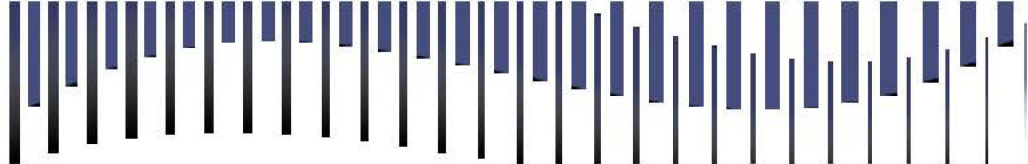
- Further to the above, Scyne Advisory has novated or is novating (either through issuing a novation deed or change of control) the following 26 work orders that are still currently active:





CN ID	Agency	Value (AUD)
CN3905043-A1	Austrade	\$ 1,234,808.00
CN3948234-A1	Australian Signals Directorate	\$ 7,262,447.50
CN3855829-A1	Department of Climate Change, Energy, the Environment and Water	\$ 220,000.00
CN3565727-A2	Department of Defence	\$ 32,040,070.32
CN3794876-A3	Department of Defence	\$ 9,232,268.44
CN3943701	Department of Defence	\$ 3,214,067.05
CN3919963-A2	Department of Defence	\$ 3,032,776.52
CN3843270-A2	Department of Defence	\$ 1,716,007.48
CN3898210-A1	Department of Defence	\$ 1,573,468.16
CN3943215	Department of Defence	\$ 1,497,180.00
CN3588723-A1	Department of Defence	\$ 446,854.33
CN3968074	Department of Defence	\$ 139,745.32
CN3862130	Department of Education	\$ 2,800,000.00
CN3968686	Department of Education	\$ 163,900.00
CN3895661-A3	Department of Employment and Workplace Relations	\$ 5,073,200.00
CN3942919-A1	Department of Employment and Workplace Relations	\$ 964,586.94
CN3959588	Department of Employment and Workplace Relations	\$ 770,000.00
CN3903771-A1	Department of Finance	\$ 4,000,000.00
CN3915367-A1	Department of Foreign Affairs and Trade	\$ 2,250,000.00
CN3931888-A2	Department of Health and Aged Care	\$ 2,024,999.82
CN3919210-A1	Department of Health and Aged Care	\$ 1,784,018.50
CN3943815	Department of Health and Aged Care	\$ 1,128,600.00
CN3963220	Independent Health and Aged Care Pricing Authority	\$ 5,472,223.90
CN3903215-A1	Murray-Darling Basin Authority	\$ 27,637,819.00
CN3986196	National Emergency Management Agency	\$ 1,080,000.00
CN3846663-A3	Services Australia	\$ 7,266,160.00
<b>Total</b>		<b>\$ 124,025,201.28</b>

- Further to the 26 work orders noted above, 11 additional work orders were novated and completed by Scyne Advisory between 9 November 2023 and 9 February 2024 (equalling a total of 37 novations).



**To:** Scyne Advisory

**From:** Senator O'Neill

**QoN:** On notice, could you provide the details of where you share a physical facility with PwC still. They clearly indicated to us this morning that you are on your own in a separate building here in Canberra but in other states and territories there is still shared physical space. How many staff you have working in there and what is the nature of separations that you have undertaken? Because one of the concerns is still that information is flowing between people who are working in proximity.

**Answer:**

- There are no shared facilities with PwC. Scyne Advisory has secure, separate tenancies in all locations across Australia. Where Scyne tenancies are located in the same building as PwC tenancies, strict access controls are in place.

**To:** Mr Greenwood

**From:** Senator O'Neill

**QoN:** You've mentioned reports a number of times and just a report then. Can I ask you to consider, on notice, providing the committee with reports that you did to verify the suitability of certain candidates?

**Answer:**

- Having considered the question, it is my judgement that it would not be proper to release the report into the suitability of the candidates prepared as it may breach individual confidentiality that was assured in the process.
- The details of the process and outcome of the review (and subsequent report) are summarised in the Australian Government's Department of Finance report titled 'Finance's review of the ethical soundness of Scyne Advisory' on pages 17, 18 and 19. You can find the report [here](#).

**To:** Scyne Advisory

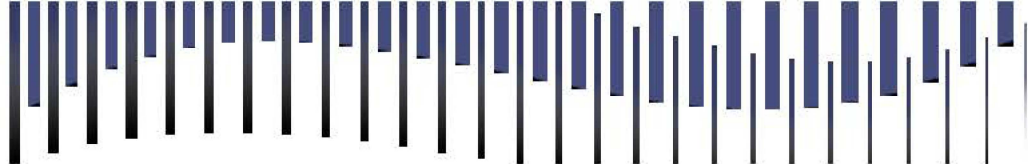
**From:** Senator Pocock

**QoN:** Is Scyne on the Defence Industry Security Panel? Can you tell us which panels you are on now?

**Answer:**

- Scyne Advisory is currently on the following Commonwealth panels:
  - Australian Federal Police - Capability Support Services Panel
  - Department of Defence - Defence Support Services Panel
  - Department of Defence - Information Communications Technology Provider Arrangement
  - Department of Defence - Infrastructure Panel
  - Department of Employment & Workplace Relations - Research Evaluation Services Panel
  - Department of Finance - Management Advisory Services Panel
  - Department of Health & Aged Care - Health Data Analytics Panel
  - Department of Health & Aged Care - Aged Care Policy Development Panel
  - Digital Transformation Agency - Digital, Software & Cloud Marketplaces
  - Digital Transformation Agency - Digital Marketplace
  - Independent Health and Aged Care Pricing Authority - Provision of Activity Based Funding Advice Panel





**To:** Scyne Advisory

**From:** Senator Pocock

**QoN:** How many sponsored parliamentary passes do your staff hold, giving them access to APH?

**Answer:**

- There are zero sponsored parliamentary passes for Scyne Advisory staff.
- A member of the Scyne Advisory team is entitled to and has a 'former member of parliament' pass.

**To:** Scyne Advisory

**From:** Senator Pocock

**QoN:** Who are the members or senators who sponsor those passes?

**Answer:**

- Not applicable as no Scyne Advisory staff hold a sponsored pass.

**To:** Scyne Advisory

**From:** Senator Pocock

**QoN:** What partnership arrangements or strategic alliances do you have with big tech companies like Microsoft, SAP and others?

**Answer:**

- Scyne Advisory is a certified Salesforce consulting partner and registered Microsoft cloud partner.
- Further to the above, we are considering other industry partnership programs as necessary to deliver technology capability for clients.

**To:** Scyne Advisory

**From:** Senator Pocock

**QoN:** What is the scope of these partnerships/alliances? What financial incentives are attached to these partnerships/alliances?

**Answer:**

- The scope of each industry partnership program varies.
- For instance, as a certified Salesforce consulting partner we get access to training materials, product information and expertise. We receive no commercial or financial incentive from Salesforce. Whereas Microsoft have opt-in rebates available where a partner is directly implementing a Microsoft solution. These rebates are used to deliver additional value to clients -

for example - providing subsidised training to client staff from Microsoft on the solution being delivered.

- In line with our values and strong commitments to ethical practice, Scyne Advisory does not use these kinds of rebates without clear agreement from our clients.
- We participate in the Salesforce and Microsoft Partner Programs so clients can validate our credentials in the market.

**To:** Scyne Advisory

**From:** Senator Pocock

**QoN:** In what way is your firm rewarded by a partnering tech company when you work on a project above the line that favours, or results in, the use of their capabilities below the line?

**Answer:**

- In no way are we 'rewarded' - Scyne staff have a duty to act in the best interests of the Commonwealth when engaged in an above-the-line capacity.

**To:** Scyne Advisory

**From:** Senator Pocock

**QoN:** How many times in the last five years have you consulted above the line on a project for which one of your partner tech companies then delivered the capability below the line?

**Answer:**

- None. Scyne Advisory was incorporated on the 9<sup>th</sup> of November 2023. To date, this situation has not arisen.
- For our current engagements within the Department of Defence, we are only engaged in an above-the-line capacity.

**To:** Scyne Advisory

**From:** Senator Pocock

**QoN:** How many times over the last five years has your firm been involved in delivering a government project in both an above-the-line and below-the-line capacity?

**Answer:**

- None. Scyne Advisory was incorporated on the 9<sup>th</sup> of November 2023. To date, this situation has not arisen.



**To:** Scyne Advisory

**From:** Senator Pocock

**QoN:** When Scyne was established, did it retain the Defence Industry Security Program (DISP) membership it had as PwC?

**Answer:**

- Yes – Scyne Advisory acquired PricewaterhouseCoopers Consulting Pty Ltd (ABN 20 607 773 295) and in doing so was required under DISP to notify a change of control.
- In November 2023, Scyne Advisory provided the relevant aspects of our business change to the Defence Industry Security Program. In February 2024, the Defence Industry Security Branch confirmed they had completed the processing of the reported changes and issued an updated DISP Membership Certificate reflecting Scyne Advisory Services Pty Ltd.
- In parallel, Scyne Advisory's DISP status was considered as part of a broader due diligence process conducted on the suitability of Scyne to provide advisory services to Defence. That process concluded in January 2024 with an unconditional approval for Scyne to operate in support of the Department.
- Any additional details about Scyne Advisory's DISP membership should be sought from the Department of Defence.