

FINANCE AND PUBLIC ADMINISTRATION REFERENCES COMMITTEE
INQUIRY INTO THE MANAGEMENT AND ASSURANCE OF INTEGRITY BY
CONSULTING SERVICES (CONSULTING SERVICES)

ANSWERS TO QUESTIONS ON NOTICE

Agency: Australian Taxation Office
Topic: Consultancy services and contracts
Senator: Barbara Pocock

Question:

1. Will [agency] spend less on consultancy services in the 2022-23 FY than in the 2021-22 FY?
2. What is [agency] predicted spend on consultancy services in the 2022-23 FY?
3. What did [agency] spend on consultancy services in the 2021-22 FY?
4. How much has [agency] spent on consultancy services to date in the 2022-23 FY?
5. How many reports did [agency] commission from consultants in the last three financial years: 2019-2020 – 2021-2022?
 - a. Of any reports commissioned in the last three financial years, how many have been publicly released (in whole or in part)?
6. Has [agency] determined in the last ten years that a consulting firm has not fulfilled their contract? If yes, list all occurrences, including the name of the consulting firm, name of project, date of contract and reason consulting firm did not fulfill the contract.
7. Has [agency] terminated any consultancy contract and why in the last ten years?
8. Have any contracts been the subject of dispute or legal action in the last ten years?
9. List all contracts awarded to PwC since 16 November 2022 to date. Include:
 - a. name of project
 - b. type of project (advice, evaluation, service delivery etc..)
 - c. cost
 - d. contract commencement date
 - e. contract finalisation date.

Answer:

1. Please refer to the ATO's submission to the inquiry into the management and assurance of integrity by consulting services (Consulting services).
2. The ATO is predicting to spend \$11.7 million on consultancy services in the 2022-23 FY.
- 3-4. Please refer to the ATO's submission to the inquiry into the management and assurance of integrity by consulting services (Consulting services).
5. The ATO considers it would be an unreasonable diversion of resources to identify the number of reports commissioned from consultants in the last three financial years.
- 6-8. Please refer to the ATO's submission to the inquiry into the management and assurance of integrity by consulting services (Consulting services).
9. The ATO has not awarded any contracts to PwC since 16 November 2022 (to 28 February 2023).

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CONSULTING SERVICES (CONSULTING SERVICES)

ANSWERS TO QUESTIONS ON NOTICE

Agency: Australian Taxation Office
Topic: Former Partners
Senator: Barbara Pocock

Question:

The following questions relate to the below consulting/accounting firms that will be referred to as the “Big 7.” If answering in the affirmative to any of the below questions, specify which of the Big 7 firms you are referring to.

- Deloitte
- EY
- KPMG
- PwC
- McKinsey
- Boston Consulting
- Accenture

1. Are any former partners of each of the Big 7 employed at [agency]?
2. Are any of these former partners receiving ongoing payments from their former association with these firms, including as part of any retirement plans?
3. Has [agency] established if these ongoing payments are tied to the financial performance these firms?
4. Are any former partners of each of the Big 7 appointed to any boards or sub-committees of [agency]?
5. Are any of these former partners receiving ongoing payments from their former association with these firms, including as part of any retirement plans?
6. Has [agency] established if these ongoing payments are tied to the financial performance these firms?
7. Are any former partners of the Big 7 involved in any policy consultation committees, panels or other formal processes at [agency]?
8. Are any of these former partners receiving ongoing payments from their former association with these firms, including as part of any retirement plans?
9. Has [agency] established if these ongoing payments are tied to the financial performance these firms?

Answer:

1-3. The ATO has approximately 220 senior executives. Of these, two senior executives are former partners of KPMG. Three senior executives are former partners of Accenture. Two senior executives are former partners of EY. One senior executive is a former partner of EY and Deloitte.

Of these, two senior executives have ongoing financial interests in respect of these firms, for which they have an agreed conflict-of-interest management plan in place.

4. Of the staff members listed above, three sit on the ATO Executive Committee and the ATO's key governance committees that report to it. An additional two sit on one or more of the ATO's key governance committees (but not the ATO Executive Committee).

5. Refer to question 1-3

6. Refer to question 1-3

7- 9.

Committees

Two former partners (non-ATO employees and not included in the eight above) sit on the ATO's independent Audit and Risk Committee. Remuneration for these roles is detailed in the ATO's annual report.

Consultation

The ATO does not consult on the development of policy, and therefore the risks and opportunities for market advantage are limited. Most of the consultation done by the ATO is not confidential.

The stakeholders the ATO consults with mostly do so in a pro-bono or volunteer capacity and are selected often based on their expertise and ability to provide a diversity of views. Consultees will come from a broad cross section of the community, including former partners of the firms listed. The ATO does not keep records on the employment history of the members of our various consultation groups.