

IMC Submission to the Finance and Public Administration Legislation Committee Inquiry into  
Public Governance and Accountability Amendment (Ban Unethical Contractors) Bill 2025

**Institute of Management Consultants**

**Submission to the Finance and Public Administration Legislation  
Committee Inquiry into Public Governance and Accountability  
Amendment (Ban Unethical Contractors) Bill 2025**

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**Acronyms & abbreviations**

**ALRC**            Australian Law Reform Commission

**CMC**            Certified Management Consultant

**Code**            IMC Code of Conduct and Ethics

**IMC**            Institute of Management Consultants

**ICMCI`**          International Council of Management Consulting Institutes

**Ban Unethical Contractors Bill 2025**      Public Governance, Performance and  
Accountability Amendment (Ban Unethical Contractors) Bill 2025

**ISO 20700**      Guidelines for management consultancy services, including ISO  
20700:2017 and AS ISO 20700:2025

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## Key Points

In response to the invitation to submit to the Inquiry into Public Governance, Performance and Accountability Amendment (Ban Unethical Contractors) Bill 2025 (Ban Unethical Contractors Bill 2025), the Institute of Management Consultants (IMC) provides the following comments and recommendations for the Committee's consideration.

## Comments

1. The Australian Law Reform Commission (ALRC) has proposed the development of a national debarment regime\ based on the conviction of corporations for criminal offences.
2. The Western Australian Parliament has implemented regulations for a debarment regime that establishes penalties for categories of conduct.
3. The Ban Unethical Contractors Bill 2025 is broad, vague and subjective and does not align with the principles of the ALRC Report for a debarment regime.
4. The definition of 'Unethical Conduct' lacks materiality thresholds, relevance tests, and evidentiary standards and raises natural justice concerns.

## Recommendations

1. **'Unethical conduct' as defined in the Ban Unethical Contractors Bill 2025 is an unsuitable definition for applying a debarment regime and should not be adopted.**
2. **The conduct of related entities, directors, senior officers, or employees of potential suppliers or tenderers should not be accountable where the offending is not attributable to the related entity or individual.**
3. **The amendments to the Public Governance, Performance and Accountability Act 2013 should not be adopted.**
4. **A debarment regime is implemented that excludes from government contracts any corporation that has been convicted of a criminal offence, and only in those circumstances.**
5. **The debarment regime penalties should be aligned with the consequences of the criminal misconduct.**
6. **The Australian Government and its entities use AS ISO 20700:2025 as a guiding framework for the procurement of management consulting services.**

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## About IMC

Established in 1969 as a not-for-profit company limited by guarantee, the Institute of Management Consultants (**IMC**) is the professional body representing management consultants in Australia.

IMC's core purpose is to:

*"... promote excellence and integrity in the management consulting profession, to improve the knowledge and skill of management consultants with respect to their roles, duties, and responsibilities and to encourage and uphold the highest professional standards and ethics ..."*

*Constitution of IMC, clause 6.*

IMC is one of seven national institutes that co-founded the International Council of Management Consulting Institutes (**ICMCI**) in 1987. ICMCI is the global body responsible for setting standards and certifying management consultants worldwide.

In 1989, ICMCI introduced a globally recognised Code of Conduct and approved the Certified Management Consultant (**CMC**) designation as the international benchmark of professional management consultants. Certification is awarded based on adherence to a standardised body of knowledge and a competence framework.

ICMCI fully accredits IMC to certify consultants in Australia and uphold global standards in professional management consulting.

IMC is the only professional organisation recognised by ICMCI for representing and certifying management consultants in Australia.

IMC maintains an internationally endorsed Code of Conduct and Ethics (**Code**) that promotes accountability, transparency, ethical behaviour, the consideration of public interest and public trust in management consultants.

IMC participated in the Australian Standards Committee MB-001, Management Consultancy, which resolved to adopt the identical ISO 20700:2017 standard as AS ISO 20700:2025 (**ISO 20700**) in April 2025 for Australian management consultancy services delivered to clients. AS ISO 20700:2025 Guidelines for management consultancy services (ISO 20700) aims 'to improve the transparency and understanding between clients and management consultancy service providers to achieve better results from consultancy projects'.

Subclause 4.4 of ISO 20700 outlines the policies that guide the delivery of management consulting services and establish confidence in the execution, outcomes, and closure of the assignment. The adoption of ISO 20700 by both suppliers to and agencies of the Commonwealth Government serves as a best-practice guide for delivering better value and reducing risk in management consultancy assignments.

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Management consultants, and organisations, including the Australian Government, seeking to engage management consulting services, can be trained in applying ISO 20700 by IMC to improve transparency and understanding between clients and service providers, reduce risk, and deliver better value to clients.

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## **Ban Unethical Contractors Bill 2025**

The Public Governance, Performance and Accountability Amendment (Ban Unethical Contractors) Bill 2025 (Ban Unethical Contractors Bill 2025) proposes amending the Public Governance, Performance and Accountability Act 2013 to introduce a debarment regime.

The debarment is to apply to potential suppliers or tenderers who have engaged in ‘unethical conduct’ as described in the proposed amendment.

The key issues in our submission are the design and application of the debarment regime, and the description of the nature of conduct that may give rise to debarment.

The submission outlines the recommended and implemented debarment regimes in Australia, as well as the nature of conduct that would give rise to debarment.

IMC recommends complementary and alternative approaches to implementing a debarment regime.

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## **Debarment**

### **Australian Law Reform Commission (ALRC)**

The ALRC Report 136 in April 2020, in Recommendation 15, proposed a debarment regime:

“The Australian Government, together with state and territory governments, should develop a national debarment regime.” p. 362

The reasoning included:

“8.126 Allowing criminally convicted corporations to enter into government contracts — at both the Commonwealth and state and territory level — may undermine public trust in government, endanger public health and safety, and increase the risk of misuse of public funds.” p.362

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and

“8.127 A debarment regime would make exclusion from government contracts a potential consequence of a corporation being convicted of a criminal offence. Debarment would be an administrative measure, rather than a court-imposed penalty.”  
p.362

It noted that:

“8.134 Debarment of a corporation may have an impact on employees and directors who were not involved in the misconduct, as debarment would attach to the corporation, even if all of the management personnel involved in the misconduct have left the corporation. However, if the prosecution of corporations and individuals is approached on a principled basis, corporate convictions will only be pursued in circumstances where responsibility for the offending was not readily attributable to individual personnel, and the circumstances reflect an element of corporate fault.” pp. 363-364.

And at paragraph 8.142:

“A unified debarment regime that encompasses state and territory, as well as Commonwealth procuring agencies, would promote consistency and provide greater certainty for corporations in respect of the consequences of criminal misconduct.”  
p.365

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## **Western Australia - Procurement Act 2020 and Procurement (Debarment of Suppliers) Regulations 2021**

Part 7 of the WA Procurement Act 2020 enables regulations “for the debarment of suppliers from supplying goods, services or works to State Agencies” p.26

The regulations provide for two categories of debarment conduct. Category A debarment conduct is for a maximum period of 5 years. Schedule 1 describes Category A debarment conduct, including criminal and serious offences under various WA and Commonwealth legislation, such as the Criminal Codes. Schedule 2 describes debarment conduct concerns conduct that contravenes WA and Commonwealth legislation, and in other State or Territory jurisdictions where similar conduct would have contravened WA legislation. (pp.22-31)

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## IMC Comments

The approaches to debarment adopted by the ALRC and the WA Parliament contrast significantly with the debarment proposed by the Ban Unethical Contractors Bill 2025.

“The term *unethical* is inherently subjective and depends on the context in which behaviour occurs. While many professions establish formal codes of conduct and ethics (such as that set and enforced by IMC) that define expected standards of behaviour for their members, these standards apply only within the professional context. Importantly, non-compliance with such ethical expectations is generally not prohibited by law.”

This contrasts with unlawful behaviour, as prescribed by the ALRC and implemented by the WA Parliament.

The definition of unethical conduct in the Ban Unethical Contractors Bill 2025 is particularly broad, vague and subjective. It includes:

- any conviction or pecuniary penalty within the past three years;
- a “proven record” of poor labour practices or tax avoidance; and
- a catch-all for “other conduct” likely to adversely impact public confidence in the Commonwealth.

Only convictions or penalties have an explicit three-year limit. The other categories are highly subjective - open-ended, with no temporal boundaries, materiality thresholds, or relevance tests. This drafting, therefore, raises natural-justice issues, uncertainty about evidentiary standards, and potential for inconsistent application across agencies.

In addition, the Ban Unethical Contractors Bill 2025 applies not only to organisations' conduct but also to directors, senior officers, employees, and related entities. Even individual conduct unrelated to professional duties could constitute a breach of the proposed legislation.

At the proposed Sub-Section 105BC of the Ban Unethical Contractors Bill 2025, unethical conduct is described as when:

“an entity or person has engaged in unethical conduct if the entity or person has:

- (a) been ... ordered to pay a pecuniary penalty under a law of the Commonwealth or a State or Territory within the previous three years; or
- (b) a proven record of poor labour practices; or
- (c) a proven record of tax avoidance; or
- (d) engaged in other conduct that has, or is likely to have, an adverse impact on the integrity of, or public confidence in, the Commonwealth.”

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A **‘pecuniary penalty’** is simply a financial penalty imposed because of a breach of a law or regulation, such as a parking ticket or speeding fine. Any pecuniary penalty should be related to the nature of the offence or breach and to the quantum of the penalty imposed.

The Ban Unethical Contractors Bill 2025 should provide for the specification of the nature and quantum of the pecuniary penalty that meets a reasonable threshold description of ‘unethical conduct’.

A **‘proven record of poor labour practices’** is ill-defined as to a standard that applies to the labour practices. It may only be a lack of compliance with industry or professional practices, which is not an offence.

The offending labour practices must, where appropriate, apply to unlawful breaches of employment laws, regulations and related statutory instruments, including industrial agreements or the National Employment Standards.

A **‘proven record of tax avoidance’** is not a breach of taxation laws, nor is it necessarily a breach of ethical conduct.

Tax minimisation and tax avoidance are lawful practices that minimise tax payable by applying the tax laws to the taxpayer's benefit. Tax evasion, which may involve underreporting income, falsifying financial records, or failing to file tax returns, is illegal and potentially criminal.

Engaging **‘in other conduct that ... (adversely) impacts the integrity of, or public confidence in, the Commonwealth’** is too vague and subjective for a supplier or potential supplier to interpret or monitor.

AS ISO 20700:2025 Guidelines for management consultancy services (ISO 20700) aims:

‘to improve the transparency and understanding between clients and management consultancy service providers to achieve better results from consultancy projects’.

Subclause 4.4 of ISO 20700 outlines the policies that guide the delivery of management consulting services and establish confidence in the execution, outcomes, and closure of the assignment. The adoption of ISO 20700 by both suppliers to and agencies of the Commonwealth Government serves as a best-practice guide for delivering better value and reducing risk in management consultancy assignments.

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## Recommendations

In response to the proposed amendment of the Public Governance, Performance and Accountability Act 2013 to introduce a debarment regime, IMC recommends:

- 1. ‘Unethical conduct’ as defined in the Ban Unethical Contractors Bill 2025 is an unsuitable definition for applying a debarment regime and should not be adopted.**
- 2. The conduct of related entities, directors, senior officers, or employees of potential suppliers or tenderers should not be accountable where the offending is not attributable to the related entity or individual.**
- 3. The amendments to the Public Governance, Performance and Accountability Act 2013 should not be adopted.**
- 4. A debarment regime is implemented that excludes from government contracts any corporation that has been convicted of a criminal offence, and only in those circumstances.**
- 5. The debarment regime penalties should be aligned with the consequences of the criminal misconduct.**
- 6. The Australian Government and its entities use AS ISO 20700:2025 as a guiding framework for the procurement of management consulting services.**