

04 August 2023

Mr Patrick Hodder
Committee Secretary
Finance and Public Administration References Committee

Dear Mr Hodder,

We refer to the questions taken on notice by Accenture's witnesses during the Committee hearing on 18 July 2023 and below are Accenture's response to the Committee's questions.

Before the below response is published, we respectfully request that the Committee redact the names of the individuals mentioned in response to question 4, to protect their privacy and personal information.

To the extent that the Committee has any concerns regarding this request, we kindly ask that you contact us and provide prior notification in advance of any disclosure in an unredacted form.

Question on Notice 1 (Hansard page 43)

Senator BARBARA POCKOCK: How many managing directors are there in total?

Mr Burns: In our submission we've quoted 288 within the Australian entity. That does move, obviously. We've had a recent run—I'm happy to provide information—and that number now is 273. In Australia, again for full transparency, we have additional managing directors that are not working on the Australian business. They may be managing directors as a part of our global corporation, performing global or regional functions. We haven't included them.

Senator BARBARA POCKOCK: If you could give us any changes in those figures, on notice, that would be helpful.

Mr Burns: Sure, happy to.

ACCENTURE RESPONSE

1. The number of Managing Directors employed within Accenture's Australia business is 273, as of 24 July 2023. This updates the figure provided in our previous response.

Question on Notice 2 (Hansard page 43)

Senator BARBARA POCKOCK: Can we go to the salaries of those managing directors. I asked you to provide the distribution in \$50,000 bands. You've decided not to do that.

Mr Burns: We can do that.

Senator BARBARA POCKOCK: You can do that? Thank you. It will be very helpful to see the numbers distributed.

Mr Burns: If you don't mind, I'll explain our remuneration structure very briefly, because one of the reasons it took us a little while is that we had to create a set of definitions that we think is

equivalent, if you like, to what you would be looking at. Our remuneration is a function of cash, effectively income, as a base, a portion of which is a cash bonus—again, within a rounded performance regime. And then there's the issuance of shares. Those shares are US-dollar denominated shares because it is a New York listed entity. For clarity to the committee, we've taken all of the cash payments that are part of regular income in that year, and then effectively adopted what the individual would put in their Australian tax return. So we've taken the shares that vest in that time period, which then become, effectively, assessable income under the Australian tax rules. That is somewhat different to, for example, the shares that you may have been granted in that year. For clarity, most of our shares have a long-dated vesting program, and that's quite deliberate because we don't want to have short-termism in our structure. So that's what we've done. We now have the June issuance to the tax office of the vesting schedule, so we can now do that update, and I'm happy to give it to you in \$50,000 bands.

Senator BARBARA POCOCK: Thank you for your willingness to do that. We really appreciate that.

ACCENTURE RESPONSE

2. The below numbers are from 1 July 2022 to 30 June 2023.

Compensation Bands (AUD\$)	# of Managing Directors	Compensation Bands (AUD\$)	# of Managing Directors
0-50000	3	900000-950000	8
50000-100000	1	950000-1000000	6
100000-150000	1	1000000-1050000	4
150000-200000	4	1050000-1100000	2
200000-250000	8	1100000-1150000	7
250000-300000	11	1150000-1200000	2
300000-350000	11	1200000-1250000	4
350000-400000	23	1250000-1300000	2
400000-450000	34	1300000-1350000	3
450000-500000	24	1350000-1400000	1
500000-550000	22	1400000-1450000	2
550000-600000	21	1450000-1500000	2
600000-650000	14	1500000-1550000	1
650000-700000	16	1600000-1650000	1
700000-750000	7	2050000-2100000	1
750000-800000	7	2500000-2550000	1
800000-850000	9	2700000-2750000	1
850000-900000	9	Grand Total	273

For reference, our remuneration comprises:

- Base pay.
- Any bonus payment.
- Any equity vested within that financial year.

Question on Notice 3 (Hansard page 47)

Senator BARBARA POCOCK: Is that the only occasion on which you or anyone within Accenture have had any meetings with Minister Robert?

Mr Vidas: There have been other meetings. Accenture managing directors did meet with Minister Robert at other meetings on other occasions over the course of a few years, I suspect. I'm not aware of all of them.

Senator BARBARA POCOCK: Would you be able to provide on notice information about all of those meetings?

Mr Vidas: Yes, we can take that on notice.

Senator BARBARA POCOCK: And notes of those meetings where you have them. **Mr Vidas:** If we have them, yes.

ACCENTURE RESPONSE

3. One meeting between Accenture representatives and Minister Robert is referenced in the Australian National Audit Office (ANAO) report (Auditor-General Report No. 34 2022-23).

As outlined in the ANAO report, no minutes from the meeting with Minister Robert in relation to the Permissions project were recorded and as stated by the Department of Home Affairs it was an administrative oversight that the meeting was not recorded in the probity register.

In addition, Accenture is aware of four meetings, attended by Accenture Managing Directors who are no longer employed by Accenture, and Minister Robert:

- Accenture's understanding is that three of these meetings occurred around June 2021 in relation to a regular project status update on which Accenture had been engaged by the Digital Transformation Agency, with senior public servants who were responsible for the project delivery and Minister Robert.
- Accenture also understands that an additional meeting occurred around May 2021 in relation to sharing global learnings related to Covid-19 tracing applications globally. This meeting was unrelated to any existing or pending project.
- We have not identified any minutes or notes from these meetings.

Question on Notice 4 (Hansard pages 47 and 50)

Senator BARBARA POCOCK: Do you have either any records or any correspondence between Synergy 360 and Accenture between 2018 and today?

Mr Vidas: I believe there's at least one email and an invitation that was sent to us in 2018 to meet with Mr Milo, and I did attend that meeting.

Senator BARBARA POCOCK: Are there notes of that meeting?

Mr Vidas: No.

Senator BARBARA POCKOCK: Would you take on notice to check on any meetings in that period or any correspondence of any form between Synergy 360 and Accenture from 2018 to the present—so meetings and correspondence over that period.

Mr Vidas: Yes, absolutely.

Senator O'NEILL: I will just follow up on a couple of the areas that Senator Pocock has already advanced. I just go back to the Synergy 360 interaction, which I understand was limited to one occasion.

Mr Vidas: For me, yes.

Senator O'NEILL: Was there any other engagement with Synergy 360 by others?

Mr Vidas: I'll definitely take that one on notice.

ACCENTURE RESPONSE

4. Accenture does not have, nor do we have records of ever having had, a contractual relationship with Synergy360 or David Milo.

Below is an overview of Accenture's limited engagement with Synergy 360/David Milo. Accenture requests that names included below be redacted from the version that is published by the Committee for privacy reasons.

Date	Details
March 2018	<p>██████████ (Accenture employee) and ██████████ (Synergy360) had lunch in Canberra</p> <p>Post the lunch, ██████████ (Synergy 360) sends a follow-up email to ██████████ (Accenture employee) with draft "terms of business" attached, copying ██████████ (Synergy 360).</p>
March/April 2018	<p>Emails between ██████████ (Synergy 360) and ██████████ (Accenture employee). ██████████ seeks an update on progress in reviewing terms of business and executing contract.</p>
April 2018	<p>██████████ (Synergy 360) and ██████████ (Accenture employee) organise meeting between ██████████ (Synergy360) and ██████████ (Accenture employee).</p>
April 2018	<p>██████████ (Accenture employee) and ██████████ both receive an invite for a meeting from ██████████ (Accenture employee).</p>
May 2018	<p>John Vidas (Accenture employee) and David Milo (Synergy 360) meet at the Accenture office in Canberra (as referred to by John Vidas in the original Accenture testimony on the 18 July 2023).</p>
August 2022	<p>Synergy 360 approached Accenture about an offering Synergy 360 had developed around Pega services (Pega is a piece of software used on several of Accenture's Australian Government projects). The offering was not of interest to Accenture and no further discussions were had.</p>

Date	Details
August 2022	[REDACTED] (Synergy 360) invited [REDACTED] (Accenture employee) to a breakfast to discuss potential opportunities for working together. No further discussions occurred followed that meeting and no relationship was entered into.

As noted above, Accenture did not enter into any contractual or business arrangement with David Milo or Synergy360 at any time.

For completeness, our internal review:

- Suggests that there were two former Accenture employees, [REDACTED], who also possibly met with David Milo.
- Turned up a handful of situations since 2018 where Synergy 360 people were either copied on emails or in attendance at meetings Accenture personnel also attended. These meetings typically related to Accenture being a subcontractor as part of a broader consortium where Synergy 360 was also included. Accenture had no direct contractual or business arrangements with Synergy 360.

Question on Notice 5 (Hansard page 49)

Senator BARBARA POCOCK: Why was the value of Accenture's contracts with the ATO cut in half from the 2022 financial year to the 2023 financial year?

Mr Vidas: Again, the numbers are a different reflection of how we recognise revenue, but the reduction in the work is a reflection of stimulus packages disappearing. They stopped, so there was a significant amount of work associated with that. And, obviously, the ATO continues with its digital agenda.

Senator BARBARA POCOCK: I understand that all other consulting firms maintained their ATO contracts at approximately the same level year to year in that period. I wonder if you could, on notice, consider what other explanations might have been at work to halve your work for the ATO year to year?

Mr Vidas: Sure.

ACCENTURE RESPONSE

5. Accenture and the ATO have worked together for many years on work relating to the enhancement and implementation of new Government policy in the context of the ATO's Enterprise Systems. As explained during our appearance before the Senate Committee on 18 July 2023, over the past 5 years, all the Accenture contracts with the ATO have been won through competitive tender processes.

The nature of these contracts allows the ATO to scale up and scale down the Accenture team delivering services to the ATO, within contracted budgetary limits. The ATO asked Accenture to add resources to help the ATO respond to Covid-19 and implement Government stimulus measures. Once this work concluded, the Accenture team scaled back down again which explains the decrease in fees paid in FY23 compared to FY22 as cited by Senator Pocock. Accenture is not aware of any other explanation for the decrease in fees paid in FY23 (1 September 2022 to 30 August 2023) compared to FY22 (1 September 2021 to 30 August 2022).

Question on Notice 6 (Hansard pages 56-7)

Senator O'NEILL: I think the chair is going to take the call. Can I put one on notice? I think, Mr Burns, we've run out of time, and it's probably a little uncomfortable for you to do this publicly. Perhaps this is not just to you but to others on this list who were formerly at PwC. One of the things that I think is not understood, certainly by me and perhaps others who have interest, is the cultural practices that are different between a partnership, such as PwC, and Accenture, with its different structure. That's not the only thing that's going to determine culture, but you—and the other nine or 10, or something like that—have a very particular insight that you could offer the committee.

I don't know if you want to jointly put a submission to us or invite your colleagues to do so, or whether you want to make a public or private submission or be heard in camera, but it would be extremely interesting for me to get a sense of what's different when it comes to PwC, with this wide range of intersectionality and layer upon layer of conflicts of interest that are different from the shape of what you have to contend with. I just ask you to think on that and the way in which you might be able to assist the committee and maintain your own personal integrity. Thank you.

ACCENTURE RESPONSE

6. Accenture notes that the Committee has asked Mr Burns to consider whether he may wish to make a submission to the Committee in relation to differences at Accenture given it is a corporate entity. As requested, Mr Burns will consider how he might be able to assist the Committee.

Question on Notice 7 (Hansard page 57)

CHAIR: I have a couple of things to follow on from that. In relation to your engagement with government, which is what's driving the interest here, you would be a member of a government panel and have relationships, clearly, with a number of different agencies. In the context of some of the questions that we've been asking you here today around your internal processes and how you assure your clients of the efficacy of your principles and the work that you do, are there processes within that registration for the panels—if it's plural—that require confirmation of those attributes?

Mr Vidás: We are on a number of panels in the federal government. As we respond to the requests from the Public Service to bid be on those panels, we do submit—they are all different in their approaches, to an extent, but we certainly have to disclose conflicts of interest. Sometimes we have to provide information around how we deal with confidentiality, privacy, security et cetera.

CHAIR: Is that project based or registration based?

Mr Vidás: Both. Registering for the panel in the first place, and then, from the panel, we typically would receive a request proposal that we would then submit for specific pieces of work.

CHAIR: And you would have a process around the decision as to whether or not to accept that piece of work? Would there be circumstances where you might say, 'No, we're not prepared to participate in that piece of work?' Could you give us—perhaps on notice, not necessarily having the data today—a ratio of, 'Yes, we will do this piece of work,' and, 'No, we won't'.

Mr Vidás: Yes, we can certainly take that one on notice. When the RFP is released, we bring it through to a new business meeting internally, and that includes a number of people from our organisation, our consulting practice, our technology practice and so forth. We obviously consider it, we look at aspects of it, such as whether it is something we as an organisation have the capability

and skills to deliver. We also look at conflict of interest as well, obviously. Do we have information that would create a conflict of interest here, or even a perceived conflict of interest, if we bid for it? Sometimes we choose to do the work; sometimes we choose not to. I will take on notice to look at those statistics.

ACCENTURE RESPONSE

7. Since January 2022, the main Federal Government Panels which include Accenture are as follows:

- Digital Transformation Agency – Digital Marketplace Panel
- The Department of Finance – Management Advisory Services Panel
- Defence Information Communications Technology Provider Arrangement (ICTPA)
- Department of Defence - Defence Support Services (DSS)

Accenture's response is limited to these panels.

Digital Marketplace Panel

Since January 2022, there were 253 requests for quotation received under the Digital Marketplace Panel, of which Accenture responded to 104.

Department of Finance - Management Advisory Services Panel

Since January 2022, Accenture responded to 113 requests for quotation. The Department of Finance was unable to advise how many opportunities came out from the Management Advisory Services Panel during this period and this is not something that Accenture tracks internally.

ICPTA

Since January 2022, there were 47 requests for quotation received under the Defence ICT Provider Arrangement, of which Accenture responded to 26.

DSS

Since January 2022, there were 199 requests for quotation received under the Defence Support Services Panel, of which Accenture responded to 86.

It is worth noting, that Accenture is only awarded a portion of the quotations we respond to.

Question on Notice 8 (Hansard page 58)

CHAIR: In relation to the panels that you are on, is there a regular process to review or test that registration process? Or once you're on the panel, you're on the panel?

Mr Vidas: I'm not aware of a regular one. I will need to go away and check that, though, so I will take it on notice.

CHAIR: What I am trying to test here is our processes. There's a lot that's been put onto you guys as part of the inquiry process, but for a procurement process, how are our processes and how well coordinated are they in managing what is, as we've discussed a number of times, very significant procurement across the consultancy sector? How effective are those processes in testing and assessing efficacy? There have been a lot of conversations about whether PwC, for example, should be given any more work, given the current circumstances. I'm just curious to get a perspective from

you on how our processes line up in the context of actually testing some of the questions that we're asking.

Mr Vidas: Yes.

ACCENTURE RESPONSE

8. Most Government panels have a fixed term and an expiry date, after which the Government agency administering the panel decides on whether to extend the panel, retender the panel, or seek alternative panels under which they can contract work from external suppliers. In addition, there are contractual obligations that service providers agree to which are used to review or test whether the provider is eligible to do work under the panel.

We note that being accepted onto a government panel does not automatically grant the right to being given work. Most Accenture contracts are awarded, following a contested procurement process, to a subset of the panel members under the terms and conditions of the panel. Typically, capability, capacity, and track record to do the work as well as value for money are assessed to determine the successful provider.

As a result of these and other procurement processes, these panel arrangements and contracts are contestable.

For reference, we have included an overview of how long Accenture has been a panelist on our 4 major Federal Government panels and the associated reviews.

Panel	Standing Offer Period	Time on Panel	Review
Digital Transformation Agency – Digital Marketplace Panel	5 April 2017 - 23 February 2024	6 years	Review expected 2024 based on advice from Digital Transformation Agency.
The Department of Finance – Management Advisory Services Panel	12 July 2021 - 30 September 2025	2 years	Initial term expires in September 2025 when Finance may extend for up to four years.
Defence Information Communications Technology Provider Arrangement (ICTPA)	25 June 2018 – 24 June 2026	5 years	A review was held in 2021 via an RFT.
Department of Defence - Defence Support Services (DSS)	20 April 2018 - 20 April 2024	5 years	A review was held in 2023 and extended for 12 months.

Question on Notice 9 (Hansard page 58)

CHAIR: On the questions that we've been asking, and that Senator O'Neill in particular has been asking, around the professional standards-type processes, you have your own systems that you work with to provide assurance.

Mr Burns: That's right.

CHAIR: But it's about the external elements.

Mr Burns: Yes.

Mrs May: There are a couple that we will include in our submission, particularly in and around defence. There are a couple of certifications in and around that—

CHAIR: I can imagine there would be.

Mrs May: and around the clearances and so on. It's probably worth also saying that, in many instances when we do client work, we work on client premises, on client systems. In those cases, our people come under the client guidelines and so on.

CHAIR: Again, those things are not necessarily industry based.

Mrs May: They're not industry; no.

CHAIR: They are client and project specific.

Mrs May: There are one or two small instances where there's a federal requirement, but we didn't include that in our response.

Senator O'NEILL: You're not required to adhere to APS standards if you're working in a department, are you?

Mrs May: In some instances, depending on the nature of work that we're doing—

Senator O'NEILL: Maybe that would be helpful on notice. Thank you.

Mrs May: We can respond with some extra information on that.

CHAIR: That would be contract dependent.

Mr Vidas: Yes.

ACCENTURE RESPONSE

9. Compulsory reporting by the government falls into two main categories:

- **Administrative and performance reporting** – such as reporting of compliance with policies such as Indigenous Participation and Workplace Gender Equality, currency of insurance, and information regarding invoicing.
- **Event-based reporting** – such as reporting of conflicts of interest, security incidents, and breaches of privacy.

In relation to adhering to APS standards, when performing work for Commonwealth agencies, it is common for Accenture (and Accenture personnel) to be contractually obligated to perform in line with the standards and policies of that agency, which are applicable to an equivalent APS person.

Please note the phrasing of contractual obligations varies and in several cases are in the form of general requirements either:

- that supplier personnel must act in accordance with agency policies, or
- a right of an agency to remove supplier personnel who are acting improperly.

In reviewing our existing contracts several of them explicitly require Accenture personnel to comply with the APS Code of Conduct as set out in section 13 of the Public Service Act 1999.

Question on Notice 10 (Hansard page 58)

CHAIR: Is it possible to get a sense of those that have crossed backwards and forwards from your organisation to and from government at both a managing director level and an employee level? I don't necessarily need to know all the details, but one of the things that has been discussed is the fluidity across the organisation. I'm happy to take it on notice. I want to know the number of employees that have come from the public service to you and from you to the public service at the managing director level over the last five years.

Mr Burns: We wouldn't, by normal course of business, trace that information. But LinkedIn is a very good source, and we can certainly go through the individuals that we are aware of that have moved both ways by reflection.

CHAIR: Would you have a sense of what might be occurring in that circumstance? You have a significant portfolio of work that is with government.

Mr Burns: This would be proxy. Our turnover is circa 10 per cent, give or take, every year.

Senator O'NEILL: With 600 people moving in and out?

Mr Burns: If we go within the government arena, on a base of 1,600, you could derive that as a proxy. All of those wouldn't go from Accenture to government; they would go to various fields of work. But we could certainly start with that and give you a—

CHAIR: Give us a sense, I suppose. If you can't give a specific number, a sense would be useful.

ACCENTURE RESPONSE

10. Since January 2019, Accenture has employed 325 individuals at all career levels, who previously worked in the public service and armed forces, including one individual at Managing Director level. This is approximately 4% of our total recruitment numbers since January 2019. We do not track former Accenture Managing Directors who have entered the public service.

Question on Notice 11 (Hansard page 59)

CHAIR: Have you ever had to apply any penalties within the organisation with respect to your annual distribution process around failures to disclose?

Mrs May: I was going to jump in without listening to the end of your question—sorry. We talked about our code of business ethics, and one of the interesting things is that I did indicate that it's mandatory for all of our employees to complete their code of business ethics. A consequence of not doing that is ineligibility for bonuses and promotions. We do actually impose consequences for that.

CHAIR: There is a consequence. The next question is: have you had to apply the consequences?

Mrs May: Yes, we have. We track it very closely, so we know the number of people who have or have not completed their training. I think that, last year, approximately 66 people did not complete their training.

CHAIR: What about disclosure of interests? That's probably more what we're interested in, because that's one of the material elements that we've been looking at as part of what we're doing. If someone fails to disclose their interests, it's a discoverability process. How do you manage and deal with that?

Mr Burns: We hadn't broken that specific data down, so if you don't mind I'll take that on notice.

ACCENTURE RESPONSE

11. Based on our review from 1 September 2019 to date, Accenture has not had to apply any penalties on employees for failures to disclose personal financial interests which constitute a conflict of interest.

Failure to disclose financial/external business interests which amount to a conflict of interest or the perception of a conflict of interest, would be a breach of Accenture policies. These policies apply to all employees at all career levels.

Investigations into allegations of breach of policy, particularly those concerning Managing Directors, would be conducted by Accenture’s Corporate Investigations team, who operate independently of local leadership.

If substantiated and appropriate, the employee could face disciplinary action in the form of termination, a formal warning and/or counselling and coaching. The employee would also be informed of the potential financial consequences including:

- Eligibility for promotion in that financial year may be suspended until at least 12 months has passed with demonstrated behavioural change.
- Discretionary end of year bonus may be adversely impacted.

Question on Notice 12 (Hansard page 59)

Senator O’NEILL: In relation to your question about people moving in and out, one of the things we haven’t got from Accenture is who’s moved in at the same level. You’ve done a PwC assessment; what about KPMG? What about EY? What about Deloitte? What about BDO? What about McKinsey?

Mr Burns: We can provide the same information that we did. Did you ask for that?

Senator O’NEILL: For the big seven? No. I am asking for it on notice now. Thank you.

Mr Burns: No problem.

ACCENTURE RESPONSE

12. We understand that the Committee’s reference to the “big 7” firms refers to Accenture, Boston Consulting Group, Deloitte, Ernest & Young, KPMG, McKinsey and PwC.

Accenture has not hired anyone from McKinsey or Boston Consulting Group within the last 5 years as a Managing Director. The data in the table below is from July 2018 to present.

Organisation	Hired as Accenture Managing Director	% of total Accenture Managing Director Population
From KPMG	4	1.46%
From Ernest & Young	3	1.09%
From Deloitte	12	4.39%
From PwC*	12	4.39%
Total Managing Directors hired from the above four organisations	31	-
Total Managing Directors hired overall	99	-

**The PwC number differs from our written response dated 18 July 2023 which specifically referred to individuals who joined Accenture as a PwC partner, whereas this number includes individuals who joined Accenture as a Managing Director but were not partners at PwC.*

Question on Notice 13 (Hansard page 61)

Senator O'NEILL: You'd be aware of the Australian Government Security Vetting Agency, AGSVA—

Mr Vidas: Yes.

Senator O'NEILL: and a program called myClearance. Was that built by Accenture?

Mr Vidas: The technology was built by Accenture, yes.

Senator O'NEILL: What was the value of that project?

Mr Vidas: I actually don't have that in hand. It was signed a number of years ago.

Senator O'NEILL: Does \$130 million sound about right?

Mr Vidas: Honestly, I would have to double-check, because there are services that we provide, but there are also software product and cloud related services that are associated with it. So I would need to look at the breakdown of the numbers, to be honest with you.

Senator O'NEILL: Could you take that on notice?

Mr Vidas: I can, yes.

Senator O'NEILL: In addition to on-time provision of the service, there is the quality of the service. If the quality doesn't meet the expectations—and I think this is one that absolutely has not met the quality expectation, for whatever range of reasons—is there a penalty that's imposed on you as a provider to the government to pay back money for when you fail to deliver on time at quality?

Mr Vidas: The contracts do include provisions for penalties. In the case of myClearance, that did go live. There were some issues associated with it. We obviously want to protect our reputation. That's what we stand on. So we leant in, with more people, and resolved some of the problems. I believe Defence is reasonably comfortable with the outcome and that, in particular, myClearance is performing reasonably well and is processing more clearances than the previous system was on a weekly basis.

Senator O'NEILL: Can you confirm that the \$114 million was the contract work on the vetting transformation project from February 2021, there have been four amendments to the contract, and it's grown in value by \$15.5 million? That doesn't sound like it's a penalty for not delivering quality. It sounds like it's more money to keep going with a project that didn't deliver the outcomes.

Mr Vidas: I would need to check the details of that.

Senator O'NEILL: Thank you, Mr Vidas. I appreciate that.

Mr Vidas: Just for clarity, I will need to check with Defence as to what they would be comfortable releasing as well.

Senator O'NEILL: Thank you.

ACCENTURE RESPONSE

13. The initial contract signature between the Department of Defence and Accenture occurred on 31 January 2020 for \$101,836,349. This covered a 4.5-year Vetting Transformation duration, broken into 1.5 years of implementation and 3 years of operation.

The contract for the Vetting Transformation project includes contractual provisions which, if triggered, may require Accenture to make payments (in the form of liquidated damages) in the event that Accenture did not meet agreed milestones.

The Department of Defence has not sought any payment or damages from Accenture under the contract, as the system met the design and system requirements approved by the Department of Defence.

The contract changes executed since the initial signature have related to adjustments of scope and schedule requested by the Commonwealth after completion of the Blueprinting phase which highlighted important changes required by AGSVA. None of these adjustments were executed after the myClearance system went live and Accenture has not received any additional payments for any remediation work and in fact contributed significant investments to ensure the project delivered the required outcomes for the Department of Defence.

We also note that the Department of Defence separately provided the following response at a public hearing of the Foreign Affairs, Defence and Trade Legislation Committee at Senate Estimates on 31 May 2023 (Hansard [here](#)):

Senator James Paterson: *How much has the system now cost the Commonwealth? Is it greater than that \$130 million figure that was reported? Or is it the same?*

Ms Celia Perkins (Deputy Secretary, Security & Estate Group, Defence): *It's the same, and we're still within the funding envelope of that project. We have used the warranty period on the stand-up to work with our providers to work through these technical fixes. I've searched additional staffing from other parts of my business, so I think technically we've had more staff working on it, but we've paid no more for the rollout of the system.*

Senator James Paterson: *So, to the extent that anyone has had to wear this, it's Accenture that's worn the cost of the extra work required on it?*

Ms Celia Perkins (Deputy Secretary, Security & Estate Group, Defence): *Yes, I think that would be a fair point.*

Question on Notice 14 (Hansard page 62)

Senator BARBARA POCOCK: This is my final, final question. I've had a whistleblower say to me that the consulting sector represents, to quote them, 'the soft underbelly of cybersecurity'—that it's a gateway through which vulnerabilities exist. I wonder if you could give us your reflections on that.

CHAIR: They'd be uniquely placed to do that, I would have thought.

Mr Burns: Yes. Do you mind if we do that in a thoughtful way and take it on notice?

Senator BARBARA POCOCK: Yes, I think that would be helpful.

Mr Burns: We're very passionate about this topic.

Senator BARBARA POCKOCK: In giving us those thoughts, you might offer your perspective for yourself—

Mr Burns: Yes.

Senator BARBARA POCKOCK: but also for the larger sector if you're willing to do it. I would be curious because we want to look at the big four and big seven picture as well as your individual company.

Mr Burns: Yes.

ACCENTURE RESPONSE

14. We understand the concern that exists amongst the government, the public sector and the wider Australian community about issues relating to cybersecurity, especially as part of wider concerns about national security.

At Accenture, protecting client data is an everyday discipline employed through our global Client Data Protection (CDP) program. We operate our data governance controls for highly secure environments such as government in a zero-trust framework. Zero-trust means we employ technology to ensure:

- we do not have to rely on the compliance of the individual – taking away the element of human error (or deliberate misuse).
- there is no access by design – data cannot be freely accessed.
- individuals need to prove their identity and permission to access data before it is granted.
- data cannot be replicated or disseminated in any way by an individual.
- access disappears after data has been used.
- all access to sensitive data can be tracked and reported.

Additionally, all our employees and contractors are required to adhere to the security processes and protocols required by any client, including government, as well as our own broad framework of risk management controls, policies, processes, and metrics that are implemented across the enterprise.

Our security framework is underpinned by a hybrid set of internationally recognised standards including but not limited to ISO 27001/27701, NIST CSF, CSA STAR, and CIS Critical Security Controls. Accenture continually measures its security posture and resilience, validating this stance through risk assessments and external audits.

Regardless of whether our people are employed by Accenture or engaged on behalf of Accenture, our clients can be certain that we hold all our people to the same levels of accountability, training and scrutiny. With the sole focus of mitigating risk and effectively safeguarding their systems and information.

Yours sincerely,

Peter Burns
Market Unit Lead for Accenture Australia & New Zealand