

**NSW Government's use and management of  
consulting services**

**TREASURY**

**QUESTIONS ON NOTICE**

## QUESTION 1 (TRANSCRIPT PAGE 37)

**The CHAIR:** So you met with PwC on 1 June. There were assurances in relation to no-one who was involved directly in the PwC tax leak part of the scandal being involved in the works currently being done for the New South Wales Government. Then there was an agreement to do a confidentiality review in contracts. I think it's a very good example of what I was talking about before – that you can put all of the provisions in place that you like, but you can't actually stop people from doing the wrong thing without more structural measures. Thirdly, the tax services would be suspended for three months – or no new tax services for three months. What is the value of the contracts that you, in the ordinary course, would have expected to make with PwC in the next three months in tax in that particular category?

**SONG HONG:** I guess the way I'll answer that is that in the devolved model agencies hire consultants via the procurement process. I don't actually have the information. I wouldn't have the information. That's a question for the agencies to determine how much work they would do with PwC on any given month from a tax –

**The CHAIR:** From a rudimentary understanding of the type of work that has been given out to consultants so far, it seems like a very small percentage of the total consulting spend of New South Wales Government to PwC would be, in the ordinary course, in relation to tax work, would it not?

**SONG HONG:** I'll answer that by saying two things. One, the Commonwealth matter relates to the international tax team and the tax work that they did for the Commonwealth. So the recommendation that I made was deemed appropriate, given the fact it is the tax culture or the culture at the time of that breach that was the issue. Given that investigation is going on at the moment within the Commonwealth and across different forums, that seemed a proportionate response to that. In relation to any expenditure on tax, I can take that on notice if you like and see what the numbers are in Spend Cube, which is a system that my team oversees for the whole of government.

## ANSWER

NSW Procurement manages the Performance and Management Services scheme, the largest of several prequalification schemes across the NSW Government involving the procurement of professional services, including consultants.

Since the introduction of the standard commercial framework for “business advisory services” under the Performance and Management Services scheme in 2018, the top 19 suppliers have been required to submit engagement-level data across NSW Government agencies to NSW Procurement. This data is then organised by NSW Procurement in its proprietary system.

This supplier sourced data from PwC shows the following expenditure that relates to engagement type 7 – “Taxation” as compared to the other “business advisory services” engagement types for the period:

- Between February and April 2023 (last 3 months of available data), consultancy expenditure for taxation services with PwC was approximately \$71,000.
  
- Between July 2018 and April 2023:
  - \$1.6 million - engagement type 7 – “Taxation”,
  - \$138 million - other “business advisory services” engagement types.

Over this reporting period, expenditure for taxation services represents approximately 1.2 per cent of overall business advisory services spend with PwC.