

Public Accountability and Works Committee - Inquiry into NSW Government's use and management of consulting services

RESPONSE TO SUBMISSION NO. 0027
HEATHER WATSON
20 SEPTEMBER 2023

Reason for the response

The Committee has received a submission from The Australia Institute that has been published as submission 0027 on the Committee's website.

It is important that the Committee has accurate information to enable robust findings. It is for this reason that I set out further information for the Committee. I confirm that provision of this information does not breach my confidentiality obligations under APES 110 Code of Ethics for Professional Accountants nor within any contract with NSW Treasury.

The views within this response are entirely my own and cannot be taken to represent the views of KPMG or any other party.

My response is limited to my public defence of my professional reputation and integrity. I do not offer a view on the legitimacy or efficacy of the government's use of consultants.

Response to submission 0027

I was the KPMG Partner who led services to NSW Treasury in respect of the NSW Government's Transport Asset Holding Entity (TAHE) reforms. These services commenced in February 2020 and ended 31 December 2021.

The submission inaccurately describes my work. I reject any adverse comment contained within or conveyed by inaccurate descriptions. At all times:

- my work reflected the need for compliance with relevant professional requirements
- I complied with my code of ethics¹.

At no time was I exposed to undue pressure from any government agency to provide specified findings and I reject any suggestion that my objectivity was compromised.

My work was technical accounting advice on the application of financial and budgetary frameworks to facts and circumstances current at the time. Other work conducted by KPMG was not accounting advice and relied upon future hypothetical scenarios. Given other work conducted by KPMG was not accounting advice, and so did not reflect the requirements of the relevant financial and budgetary framework, there was never any expectation that the outputs of my advice and other advice would accord.

The submission outlines a premise that the interests of two general government sector agencies could be in conflict. The interests of general government sector agencies are singular, being the interests of the State. With a singular interest, there can be no conflict.

The community elects the government. The government effects its policies via legislation. The public sector implements those policies in accordance with the legislation. That two agencies may need different types of advice to assist with their respective implementation activity does not mean there is a conflict of interest.

¹ APES 110 Code of Ethics for Profession Accountants