

# PwC hit by new tax row fallout

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## Blow as taxpayer work gone

One of the country's biggest consultancy firms has been dumped from an official South Australian contract panel after a national tax scandal.

This has occurred despite assurances the SA practice was

not enmeshed in the row.

Embattled "big four" firm PricewaterhouseCoopers, which was embroiled in a confidential information outrage, billed taxpayers almost \$4.8m for 11 state government con-

tracts last financial year.

The firm, which is subject of a multi-country Australian Federal Police investigation over the leaks imbroglio, gave paid help to departments, including Premier and Cabinet, Education, Energy and Mining, Attorney-General, as well as Trade and Investment.

It also audited Treasury's internal books, while providing other "checks and balance" advice, along with other external work for SA Health, Renewal SA, Housing Trust, Country Fire Service and office for the Office of the Commissioner for Public Sector Employment.

But amid more scrutiny on consultant firms, PwC has been removed from the state government's preferred audit and financial services supplier panel, meaning it can't be considered for SA taxpayer work.

PwC was forced to sell its government consultancy business – valued at up to \$1bn that employed more than 1750 people – for \$1 to private equity operator Allegro Funds last year after a former senior tax consultant leaked to clients and partners confidential details obtained in government work.

Up to 30 partners and staff were involved.

In November last year, Scyne Advisory was born from the Allegro fire sale, with 100 PwC staff in SA moving, including

Adelaide chief, former Liberal federal minister Jamie Briggs.

Scyne, which employs more than 1000 former PwC staff nationwide, has since successfully tendered for contracts with the Transport Department, SA Health and ReturnToWorkSA.

At the height of the scandal in May last year, Treasurer Stephen Mullighan sought assurances about access to SA government data. He said PwC had assured its SA practice was not tangled in the tax row.

Treasury also demanded "robust" steps at other professional services firms.

Mr Mullighan's spokeswoman revealed "PwC has been removed from the across government Audit and Financial Services supplier panel" in November last year. "Following the split in services, Scyne Advisory has been included in the supplier panel," she said.

"However (it) cannot provide taxation advice, financial statement audits, or any services requiring an Australian Financial Services Licence."

Mr Briggs, Scyne's national spokesman, said given the legacy of the business, former Federal Court judge Andrew Greenwood "undertook a rigorous investigation" of every staffer to ensure no scandal link.

PwC Adelaide managing partner Julian McCarthy declined to comment, as did a firm spokeswoman.