



Ensuring greater equality under tax laws – reforms from the PwC scandal

August 2025

To everyone who has something, more will be given, and they'll have more than enough. But from the person who has nothing, even what they have will be taken away from them.

Matthew 25:29

In short, when segments of the wealthy elite exempt themselves from social norms and disengage from broader society, they contribute to the fragmentation of society, sharpening the divide between the privileged few and the rest. Civic trust and social cohesion rely on shared values, norms, and a sense of mutual responsibility, so when elites remove themselves from the spaces where these rules apply, trust in institutions is eroded and a sense of unfairness spreads.

Clive and Myra Hamilton, *The Privileged Few*, (2024)

Some theologians view the parable of the talents in Matthew 25 as a critique of the injustice of the dictatorship under which Jesus lived. In such an alternative understanding, the wealthy man going on the trip in the story is probably Herod Archelaus, who went to Rome in 4BC seeking kingship. For the agrarian community Jesus is speaking to, the third servant does not engage in aggressive and exploitative investment but instead shows that gold is not productive. You bury gold, and it does not grow. The third servant calls out the greedy master as a “hard man, harvesting where you have not sown and gathering where you have not scattered seed.” Jesus summarises the injustice of the system under which his listeners live. Wealth accumulates to those who already have much, while those in financial poverty have the little they have taken from them. A more extended version of such an understanding can be found in Lloyd Pietersen’s book, *Reading the Bible After Christendom* (2011).

In our time, wealthy people are in a position to abuse their privilege to accumulate further wealth and privilege for themselves at the expense of the common good should they choose to do so. They often behave as if laws that apply to the rest of the community do not apply to them.

An example of choosing to abuse privilege came in the form of some tax adviser partners at the accounting, auditing and consulting firm PwC, formerly known as PricewaterhouseCoopers. As outlined by the Senate Finance and Public Administration References Committee in their June 2023 report, from 2013 to 2016, PwC tax partner Peter Collins had access to confidential information from the Australian Treasury and through the Australian Government Board of Taxation concerning planned tax reforms to address tax avoidance by multinational corporations. Mr Collins signed multiple confidentiality agreements that threatened prosecution under the *Crimes Act 1914* if the confidential information was shared without the permission of the Australian Treasury. Mr Collins behaved as if the law did not apply to himself or others at PwC. He intentionally shared the information with other PwC partners and staff in Australia and overseas.



By illegally sharing confidential information, Mr Collins and others at PwC sought to assist existing and potential new corporate clients of PwC in circumventing the tax reforms to address tax avoidance introduced in 2016 at the expense of the common good. The actions by those at PwC put at risk \$180 million per year of tax to be paid due to the laws. PwC was able to generate new income of at least \$2.5 million for itself by providing services to clients to dodge the impact of the new laws.

In January 2023, the scandal became public when the Tax Practitioners Board revealed it had penalised Mr Collins for his behaviour. The Tax Practitioners Board regulates tax advisers in Australia.



Initially, it looked like the Australian Government would take limited action in response to the illegal and unethical behaviour at PwC. However, mainly through the efforts of journalist Neil Chenoweth, Labor Senator Deb O'Neill, Greens Senator Barbara Pocock and the Tax Practitioners Board (TPB), the Government was encouraged to develop a package of reforms to address behaviour by tax advisers who assists multinational corporations and wealthy individuals to avoid paying the taxes they should pay.

The Government put several elements in place in the last Parliament, but ran out of time to complete all the measures in the package. Thus, we need to remind the Government to complete what it started and to show us in the wider community support just reforms.

Measures implemented included:

- Improving the powers of the TPB to conduct investigations and to publish information about penalties it has issued;
- Improvements to whistleblower protections in disclosing misconduct by tax advisers to the TPB; and,
- Requiring tax advisers to report when a client has provided the Australian Taxation Office (ATO) with false information about their tax affairs and refuses to correct the information provided.



Measures that still need to be implemented include:

- Improving the range of penalties that the TPB can apply to tax advisers who breach the law;
- Improving the investigative powers of the ATO and TPB;
- Enhancing the penalties against those who promote tax avoidance schemes; and,
- Reforms to address the misuse of legal professional privilege. Tax advisory firms, such as PwC, have misused legal professional privilege over the tax affairs of their corporate clients to frustrate investigations by the ATO into suspected illegal tax avoidance.

What You Can Do

Write polite and respectful letters to:

The Hon Dr Jim Chalmers MP

Treasurer
PO Box 6022
House of Representatives
Parliament House
Canberra, ACT, 2600

The Hon Dr Daniel Mulino MP

Assistant Treasurer
PO Box 6022
House of Representatives
Parliament House
Canberra, ACT, 2600

Salutation: Dear Treasurer

Salutation: Dear Assistant Treasurer

Points to make in your letters:

- Thank the Government for the package of measures that it has pursued to address the abuse of consultation processes by partners and staff at PwC that sought to undermine tax reforms the Government was developing.
- Thank them for the measures that have already been implemented.
- Ask that the Government actively pursue the measures that it could not implement in the last term of Parliament, including:
 - Improving the range of penalties that the TPB can apply to tax advisers who breach the law;
 - Improving the investigative powers of the ATO and TPB;
 - Enhancing the penalties against those who promote tax avoidance schemes; and,
 - Reforms to address the misuse of legal professional privilege.