Take 5 for Integrity

PwC Australia Tax Leak Scandal

The Case in 30 Seconds

Between 2015 and 2020, senior PwC Australia partners misused confidential government information obtained while advising the Treasury on anti–tax avoidance laws.
Instead of protecting the data, they shared it internally and with multinational clients to help them circumvent those same laws.
When concerns arose, leadership failed to act, prioritizing commercial gain over ethics.

What Went Wrong

Profit Over Principle: Confidential data was used for client advantage.
Culture of Concealment: Early warnings were ignored or silenced.
Leadership Failure: Senior partners participated or turned a blind eye.
Weak Controls: No effective oversight on the use of sensitive information.

The Impact

- Eight senior executives resigned.
- PwC banned from new government contracts.
- Consulting unit sold for AUD $1.
- Criminal investigations ongoing and public trust deeply damaged.
- Government reforms introduced to tighten ethics rules for consultants.

Key Integrity Lessons

- Confidentiality is non-negotiable.
- Integrity collapses when leaders look away.
- Transparency must outweigh commercial pressure.
- Speak-up culture protects both people and reputation.
- Ethics failures at the top ripple through the whole organization.

Discussion Questions

- How does our organization safeguard confidential information?
- Would employees feel safe reporting a potential breach by leadership?
- What behaviors are truly rewarded, results or responsibility?
- How do we ensure ethical standards in client-facing work?
- When have we last tested our controls against real ethical risks?