

SUPPLEMENTARY BUDGET ESTIMATES MAY 2026

Grants and Procurement Branch AS Brief

KPMG Consultancies

KEY POINTS

- Department of Finance has received a Notice of Significant Event from KPMG Australia.
 - Notification relates to governance and conduct matters.
 - CEO and National Managing Partner Audit and Assurance have resigned.
 - Stan Stavros appointed interim CEO.
- Finance, as owner of the MAS panel, is reviewing the notification in accordance with its responsibilities under the MAS Panel Head Agreement.
- No specific issues have been raised in relation to KPMG's conduct in DHDA contracts.
- If DHDA becomes aware of issues, we will work with Finance to take appropriate action.

FACTS AND FIGURES

- At 22 May 2026 - 24 active contracts with KPMG – total of \$37.3 million.
 - 12 contracts commenced in 2025-26 – total value of \$5.6 million
 - List of active contracts – [Attachment A](#).
- A further 40 contracts have commenced and been completed over the last three financial years (2023-24 to 2025-26). Total value - \$15.3 million

BACKGROUND

- 24 March 2026 - Senator Deborah O'Neil, Chair, Parliamentary Joint Committee on Corporations and Financial Services, raised allegations from a whistleblower in relation to KPMG's conduct.
 - Allegations included issues relating to audit independence, misuse of confidential information, tender integrity failures, misleading of Parliament, examination misconduct and governance failures at the senior leadership level.
- Senator O'Neil specifically raised:
 - Confidential Lendlease board papers were taken and circulated internally within KPMG and used to support pursuit of major audit tenders, including Westpac and Dexus.
 - KPMG personnel offered access to restricted documents from Telstra's IT environment via a Telstra-issued laptop. These documents related to Telstra's AI governance policies and internal practices during a live external audit tender.
 - Conflicts of interest and relationships with former KPMG staff in the pursuit of audit tenders with Macquarie, Westpac and Dexus.
- 14 May 2026 – KPMG issues [media release](#) outlining action taken.

Supplier code of conduct

- Since 1 July 2024, contracts include Commonwealth Supplier Code of Conduct - enforceable standards for ethical behaviour, governance, and worker welfare.
 - Also includes notification of significant events clauses.
- Five current contracts with KPMG commenced before the inclusion of the code of conduct was mandatory.

Contact: s22 s22 Cleared by: Craig Chalmers

ATTACHMENT A - CURRENT CONTRACTS WITH KPMG

CN ID	Contract Description	Start Date	End Date	Contract value
CN4240043	Digital Augmentation Services	11/05/2026	11/05/2027	\$999,999.10
CN4238488	Professional Services	4/05/2026	30/06/2026	\$275,000.00
CN4234625	Work Order for National Infrastructure Project Facilitator	20/04/2026	30/06/2026	\$746,198.07
CN4219219-A1	Administration Costing Study	10/02/2026	30/06/2026	\$296,170.00
CN4218532	Work Order for National Infrastructure Project Facilitator	4/02/2026	30/06/2026	\$98,183.00
CN4217723	Policy Advice	3/02/2026	3/08/2026	\$142,470.90
CN4216197	Provision of Accelerated Reporting Packages	21/01/2026	20/01/2028	\$93,000.00
CN4202874	Mid-Term Evaluation of RFDS	22/10/2025	30/10/2026	\$760,895.39
CN4195869-A1	National Review of First Nations Health Care in Prisons	14/10/2025	30/06/2026	\$875,866.85
CN4178136	Service Development Assistance Panel	6/08/2025	30/06/2026	\$539,865.88
CN4172762	Provision of taxation advice and support	23/07/2025	30/06/2026	\$55,999.87
CN4169771-A1	Tranche Dialysis Sites	4/07/2025	30/06/2026	\$775,608.67
CN4155590	Management Advisory Services	23/06/2025	30/09/2026	\$806,475.00
CN4162770	Service Development Assistance Panel	20/06/2025	30/12/2026	\$200,000.00
CN4128367	Technical Accounting Services	10/02/2025	30/09/2026	\$75,000.00
CN4128362-A1	Evaluation Services for the National Medical Workforce Strategy Evaluation Foundations Project	31/01/2025	30/06/2026	\$570,379.00
CN4125354	Rural, Remote and First Nations Aged Care Service Development Assistance Panel	28/01/2025	30/06/2026	\$498,907.03
CN4098548-A2	Rural Remote and First Nations Aged Care Service Development Assistance Panel	16/09/2024	24/10/2026	\$786,540.91
CN4098559-A1	Rural, Remote and First Nations Aged Care Development Assistance Panel	16/09/2024	30/06/2026	\$198,340.57
CN4070299	Develop Pathways for Non-medical Practitioners to Deliver Cervical Screening Tests	19/06/2024	30/06/2027	\$1,393,076.01
CN4016271-A3	National Infrastructure Project Facilitator Services	12/10/2023	31/12/2026	\$3,124,107.62
CN3991941-A2	Provision Of Capability Support Services	31/07/2023	31/07/2026	\$21,296,000.00
CN3989786-A3	Provision of Data Quality Checks and Advice	3/07/2023	30/06/2026	\$1,535,247.51
CN3937692-A2	Provision of Support and Maintenance Services	3/01/2023	31/12/2026	\$1,187,156.00

KPMG update on Parliamentary Joint Committee on Corporations and Financial Services**14 May 2026**

KPMG is co-operating with the Parliamentary Joint Committee on Corporations and Financial Services (PJC) in relation to allegations raised in the Parliament by Senator Deborah O'Neill in March 2026. This matter is longstanding and complex. Over the past two years a former employee has made multiple allegations in relation to inappropriate conduct. We have treated these allegations seriously and made significant efforts to investigate and respond to the allegations raised.

As this matter has continued to evolve, we have escalated our oversight and response accordingly. Initially, we undertook internal investigations. Given the seriousness of the allegations, we then engaged an external law firm to review the internal investigations. As further details were provided, we established a sub-committee of the Board (including three independent directors). The sub-committee engaged another external law firm to conduct an investigation into each of the conduct related allegations.

Based on the evidence identified to date, the allegations have not been substantiated.

During the course of the investigations, two related conduct matters were identified. One matter concerned the inappropriate sharing on screen of pages from two documents between KPMG personnel (one a client document and the second a KPMG document). We deeply regret that the confidentiality owed to the client was not met in this instance. The firm has advised the client of this matter and expressed regret for the incident. A second matter concerning an inappropriate informal remark in a team setting was also identified.

Both of these matters were subject to our internal consequences framework and disciplinary action was taken. This process was underway before the allegations were raised in the Parliament in March and the individuals involved were sanctioned in April. The sub-committee of the Board endorsed those sanctions. Relevant individuals have self-reported to Chartered Accountants Australia and New Zealand (CA ANZ).

With oversight from the Board Sub-committee, investigations into the allegations by the former employee are continuing. We commit to investigate any new evidence or information provided. In addition, we continue to engage with ASIC, CA ANZ and the Tax Practitioners Board (TPB). All of which have been provided the same information as the PJC.

Source: [KPMG update on Parliamentary Joint Committee on Corporations and Financial Services](#)

s22

From: HICKS, David
Sent: Friday, 5 June 2026 9:11 AM
To: CHALMERS, Craig
Cc: s22; s22; s22; FMAD Coord
Subject: FW: Significant Event Notification - KPMG [SEC=OFFICIAL]
Attachments: KPMG_SignificantEventNotification_May 2026 Final Health.pdf

OFFICIAL

FYI – I assume I might receive similar shortly. I think it satisfies the initial request for assurance we discussed on Wed, Craig.

Regards,

David Hicks FCPA
First Assistant Secretary | Chief Financial Officer
Financial Management & Assurance Division | Corporate Operations Group

Australian Government Department of Health, Disability and Ageing

David.Hicks@health.gov.au

s22 7 or 02 5132 4495

GPO Box 9848, Canberra ACT 2601

Executive Officer – s22 | 02 5132 s22 | s22 @health.gov.au

Executive Assistant – s22 | 02 5132 s22 | s22 @health.gov.au

The Department of Health, Disability and Ageing acknowledges the Traditional Custodians of Australia and their continued connection to land, sea and community. We pay our respects to all Elders past and present.

OFFICIAL

From: SCHUMACHER, Brian <Brian.SCHUMACHER@Health.gov.au>
Sent: Friday, 5 June 2026 8:27 AM
To: FLEVARAS, Fay <Fay.FLEVARAS@Health.gov.au>; TEPPER, Lisa <Lisa.TEPPER@Health.gov.au>; HICKS, David <David.Hicks@health.gov.au>
Cc: s22 health.gov.au>; BALMANNO, Rachel <Rachel.BALMANNO@health.gov.au>
Subject: FW: Significant Event Notification - KPMG [SEC=OFFICIAL]

OFFICIAL

For information

Brian Schumacher
First Assistant Secretary



The Department of Health, Disability and Ageing acknowledges the traditional owners of country throughout Australia, and their continuing connection to land, sea and community. We pay our respects to them and their cultures, and to all Elders both past and present.

OFFICIAL

From: s47F <s47F@kpmg.com.au>
Sent: Thursday, 4 June 2026 9:16 PM
To: SCHUMACHER, Brian <Brian.SCHUMACHER@Health.gov.au>
Cc: s22 <s22@Health.gov.au>; s22 <s22@Health.gov.au>; s22 <s22@Health.gov.au>
Subject: Significant Event Notification - KPMG

REMINDER: Think before you click! This email originated from outside our organisation. Only click links or open attachments if you recognise the sender and know the content is safe.

Hello Brian,

Please find attached written confirmation supporting our email issued today and the verbal update provided to the Department on 29 May 2026 regarding the significant event notification.

Please let me know if you require any further information or clarification.

Thanks

s47F

s47F
Consulting
Technology

KPMG
Level 9, Constitution Place, 1 Constitution Avenue
Canberra ACT 2601 Australia

Mob s47F
s47F <s47F@kpmg.com.au>

kpmg.com.au



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*

This document has been released under the Freedom of Information Act 1982 (Cth.)
By the Department of Health, Disability and Ageing



Level 9, Constitution Place
1 Constitution Avenue
Canberra City ACT 2601

PO Box 7396
Canberra Business Centre ACT 2610
Australia

FOI 26-3260 - Doc. 3
Page 1
ABN: 51 194 660 183
Telephone: +61 2 6248 1111
Facsimile: +61 2 6248 1122
www.kpmg.com.au

Confidential

Mr Brian Schumacher
First Assistant Secretary
Digital Transformation and Delivery
Department of Health, Disability and Ageing

KPMG_SignificantEvent_May2026

04 June 2026

Dear Brian,

Notice of Significant Event

I am writing to notify you of a Significant Event concerning the management of whistleblower matters within KPMG Australia.

Firstly, I confirm that:

- none of the matters subject to the Notice, and described further below, concern the performance of services to the Department of Health, Disability and Ageing in relation to two contracts:
 1. *Standing Offer for the Supplementary Teams Arrangement within the Aged Care Transformation Program - Health - E22-292004*; and
 2. *Digital Augmentation Services - PCS-03790-KAT*.
- We have not identified any inappropriate access, usage, or disclosure of the Department of Health, Disability and Ageing data or information in connection with the matters under investigation in relation to the two contracts noted above; and
- none of the Specified Personnel or other personnel engaged in connection with the Services to the Department of Health, Disability and Ageing to the two contracts noted above, were involved.

The matters raised relate to corporate audit engagements and proposals and do not relate to engagements for government clients. We have identified no breach of Commonwealth Confidential Information.

KPMG Australia treatment of a whistleblower and investigation into their allegations fell short of the firm's expectations, those of the whistleblower and the broader community. The initial internal investigation that did not substantiate the allegations raised by the whistleblower, was in hindsight not conducted with the necessary rigour required.





Understandably this prompted further communications and allegations from the whistleblower, resulting in the appointment of an external legal firm, to review the internal investigation.

The external legal review supported the internal investigation. This outcome further escalated the whistleblower's concerns with the process. The whistleblower again raised the matter with certain independent members of the KPMG Australia Board and others.

At this point, a Board Sub-Committee (led by the Deputy Chair and including three independent directors), appointed Allens to conduct a further external legal investigation, which remains ongoing. Now, with new evidence and an expanded scope, Allens are continuing to challenge the conclusions reached in prior investigations.

The Board has identified areas where KPMG has fallen short of the standards it expects in the handling of such important matters. The Board has confirmed shortcomings in the:

- management of the whistleblower and their concerns;
- the rigour of the investigations; and
- action by leadership regarding the allegations raised.

As a consequence:

- KPMG Chairman Martin Sheppard has accepted the resignation of Andrew Yates, CEO of KPMG Australia, effective immediately – as the executive with ultimate responsibility for management of the whistleblower process and the management-led investigations.
- Mr Sheppard has also accepted the resignation of Julian McPherson, National Managing Partner Audit and Assurance, who will stand down from this role effective immediately and will resign from the firm after an orderly transition of his client responsibilities.
- The Board has appointed Stan Stavros as Interim CEO of KPMG Australia while continuing its orderly process to appoint a permanent successor to Mr Yates.
- Appropriate disciplinary action will continue to be imposed if the investigations identify further matters.

Whistleblower Allegations

KPMG has previously reported to professional bodies, regulators and the Department of Finance that the firm had identified a matter relating to client documents being inappropriately shared internally. Three partners have previously been sanctioned regarding this matter, and they have self-reported to the appropriate professional bodies. We are continuing to investigate this matter. We also reported a second matter concerning an inappropriate remark in a team setting regarding the sharing of client information. Disciplinary action has also been taken. We are continuing to investigate this matter.

The ongoing investigation recently revealed a separate incident where internal documents containing client information have also been inappropriately shared internally. Our investigation into this matter, which does not involve Commonwealth information, is ongoing.

These three conduct matters were raised by the whistleblower. While prior investigations concluded these allegations were unsubstantiated, KPMG now recognises these processes fell short.



KPMG has reported this new finding to impacted clients and regulators and continues to engage with the Department of Finance. Should new findings emerge, this information will be shared with clients, the Committee, regulators, and the Department of Finance. Where misconduct is identified we will work with individuals to self-report to CA ANZ where appropriate.

I can assure you of the seriousness with which we take these matters and would appreciate the opportunity to explain how we maintain the confidentiality of the Department of Health, Disability and Ageing information held or accessed by our team. If you would like more information, please contact me on s47F [kpmg.com.au](mailto:s47F@kpmg.com.au) or 6248 1111

Yours sincerely

s47F

s47F

s47F

KPMG

This document has been released under the Freedom of Information Act 1982 (Cth.)
By the Department of Health, Disability and Ageing

s22

From: MAS Panel <MASPanel@finance.gov.au>
Sent: Friday, 29 May 2026 12:48 PM
Subject: MAS Panel - Notification of Significant Event (KPMG) [SEC=OFFICIAL]
Categories: Tracked To Dynamics 365

OFFICIAL

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Notification of Significant Event: KPMG

Dear entities,

The Department of Finance (Finance) advises that it has received a Notification of Significant Event (NoSE) under the Management Advisory Services (MAS) Panel Head Agreement from KPMG Australia (KPMG).

KPMG has advised that the notification relates to governance and conduct matters identified through ongoing investigations concerning historical whistleblower allegations. As outlined in the notification, KPMG has also advised of changes in senior leadership, including:

- the resignation of the Chief Executive Officer, Mr. Andrew Yates
- the resignation of the National Managing Partner – Audit and Assurance, Mr. Julian McPherson
- the appointment of an Interim Chief Executive Officer, Mr Stan Stavros

Finance is reviewing the notification in accordance with its responsibilities under the MAS Panel Head Agreement. At this stage, there is no action required by entities.

Finance will keep entities informed of any further developments.

Regards,

Strategic Contracting Branch | Procurement Division

Commercial Group | Department of Finance

E: maspanel@finance.gov.au | A: One Canberra Ave, FORREST ACT 2603



The Department of Finance acknowledges the traditional custodians of the land on which we work and we pay our respects to Elders past, present and future.



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By the Department of Health, Disability and Ageing

s22

From: Procurement Advice
Sent: Thursday, 4 June 2026 8:17 AM
To: DL All EAs and EOs
Cc: s22
Subject: RE: MAS Panel - Update on Notification of Significant Event (KPMG)
CCEMS:07500000049 [SEC=OFFICIAL]
Attachments: MAS Panel - Notification of Significant Event (KPMG) _SEC_OFFICIAL_.msg

OFFICIAL

Dear EA/EOs,

We wish to advise that the Department of Finance has issued a Notification of Significant Event (NoSE) under the Management Advisory Services (MAS) Panel Head Agreement in relation to KPMG Australia (attached).

Please forward this email to the affected procurement areas within your division/ branch.

The notification relates to governance and conduct matters identified through ongoing investigations concerning historical whistleblower allegations. KPMG has advised of associated changes in senior leadership (see below email), including the resignation of its CEO and National Managing Partner – Audit and Assurance, and the appointment of an Interim CEO.

At this stage, Finance has advised that there is no action required by entities, however have stated that the following actions may be taken if deemed appropriate by the applicable areas;

- Entities may seek assurance from KPMG that no individuals engaged on their work orders are associated with the matters currently being raised.
- If any individuals associated with work orders are identified as linked to these matters, entities should consider whether additional risk mitigation steps may be required.
- Entities retain the contractual right to request the removal of specific personnel from work orders consistent with the Head Agreement.

Please note that the department is seeking assurance from KPMG that no individuals engaged on departmental work orders are associated with the matters currently being raised. We will advise you of the outcome and if further action is required.

Finance is continuing to review the notification and will provide further updates as necessary.

If we receive any additional advice or information from Finance, we will share this with you.

Regards,

s22

Procurement Business Partners Section

Financial Management and Assurance Division | Corporate Operations Group
Australian Government Department of Health, Disability and Ageing
E: Procurement.Advice@health.gov.au
GPO Box 9848, Canberra ACT 2601, Australia

*Please note that **12 June 2026** is the final date for submission of procurement requests requiring PBP review and clear to support actioning by **30 June 2026**.*

Our urgent standard response time is 3–5 business days. However, due to the current high volume of End of Financial Year inquiries, responses may take longer than usual.

For the latest grants and procurement updates, please click on the link to the [Grants and Procurement Newsletter](#) and subscribe to receive ongoing alerts and news.

The Department of Health, Disability and Ageing acknowledges First Nations peoples as the Traditional Owners of Country throughout Australia, and their continuing connection to land, sea and community. We pay our respects to them and their cultures, and to all Elders both past and present.

To ensure prompt responses, please address any replies to this inbox and not to personal inboxes.

----- Original Message -----

From: MAS Panel

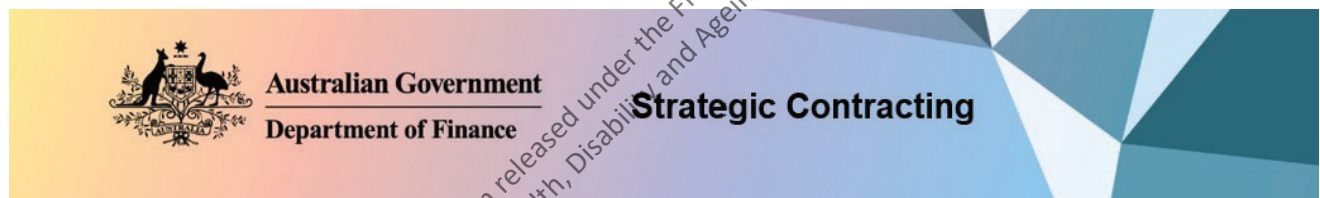
Received: Wed Jun 03 2026 13:04:40 GMT+1000 (Australian Eastern Standard Time)

Subject: MAS Panel - Update on Notification of Significant Event (KPMG) [SEC=OFFICIAL]

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Notification of Significant Event: KPMG

Dear entities

The Department of Finance (Finance) is continuing to assess the notification received from KPMG Australia (KPMG) in accordance with its responsibilities under the MAS Panel Head Agreement and is monitoring the matter.

As previously advised in Finance's update on Friday 29 May 2026, no action is required by entities. However:

- Entities may seek assurance from KPMG that no individuals engaged on their work orders are associated with the matters currently being raised.
- If any individuals associated with work orders are identified as linked to these matters, entities should consider whether additional risk mitigation steps may be required.
- Entities retain the contractual right to request the removal of specific personnel from work orders consistent with the Head Agreement.

KPMG has advised of further changes to its senior leadership, including:

- Scott Guse is appointed as National Managing Partner, Audit and Assurance
- Gayle Dickerson is appointed as National Managing Partner, Deal Advisory and Infrastructure

- Eileen Hoggett is stepping aside from her executive role as COO while investigations are pending.

Finance will continue to keep entities informed of any further developments.

Regards

Strategic Contracting Branch | Procurement Division

Commercial Group | Department of Finance

E: maspanel@finance.gov.au | A: One Canberra Ave, FORREST ACT 2603



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OFFICIAL

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By the Department of Health, Disability and Ageing

s22

From: CHALMERS, Craig
Sent: Friday, 29 May 2026 4:11 PM
To: DL Executive Deputies; DL All First Assistant Secretaries; DL All Assistant Secretaries
Cc: s22; s22
Subject: MAS Panel - Notification of Significant Event (KPMG) [SEC=OFFICIAL]

OFFICIAL

Hi all,

Please be aware that KPMG has notified Finance of a significant event under the supplier code of conduct relating to the MAS panel. Finance are investigating and will provide further advice on any implications for contracting arrangements with KPMG.

There is no specific action required at this time – we will share further advice as it comes to hand.

If you have any questions please reach out.

Thanks
Craig

If using assistive software, the message ends here. Email signature below.

Craig Chalmers

Assistant Secretary – Grants and Procurement Branch
Chief Procurement Officer

Financial Management and Assurance Division | Corporate Operations Group
Department of Health, Disability and Ageing
T: 02 5132 1275 | M: s22 | E: craig.chalmers@health.gov.au

Executive Assistant: s22 | T: 02 5132 s22 | E: s22 @health.gov.au

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From: MAS Panel <MASPanel@finance.gov.au>
Sent: Friday, 29 May 2026 12:48 PM
Subject: MAS Panel - Notification of Significant Event (KPMG) [SEC=OFFICIAL]

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Australian Government
Department of Finance

Strategic Contracting

Notification of Significant Event: KPMG

Dear entities,

The Department of Finance (Finance) advises that it has received a Notification of Significant Event (NoSE) under the Management Advisory Services (MAS) Panel Head Agreement from KPMG Australia (KPMG).

KPMG has advised that the notification relates to governance and conduct matters identified through ongoing investigations concerning historical whistleblower allegations. As outlined in the notification, KPMG has also advised of changes in senior leadership, including:

- the resignation of the Chief Executive Officer, Mr. Andrew Yates
- the resignation of the National Managing Partner – Audit and Assurance, Mr. Julian McPherson
- the appointment of an Interim Chief Executive Officer, Mr Stan Stavros

Finance is reviewing the notification in accordance with its responsibilities under the MAS Panel Head Agreement. At this stage, there is no action required by entities.

Finance will keep entities informed of any further developments.

Regards,

Strategic Contracting Branch | Procurement Division

Commercial Group | Department of Finance

E: maspanel@finance.gov.au | A: One Canberra Ave, FORREST ACT 2603



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OFFICIAL

s22

From: s47F kpmg.com.au>
Sent: Friday, 5 June 2026 2:05 PM
To: HICKS, David
Cc: CHALMERS, Craig; s22; s47F; s47F
Subject: RE: MAS Panel - Update on Notification of Significant Event (KPMG) [SEC=OFFICIAL]

REMINDER: Think before you click! This email originated from outside our organisation. Only click links or open attachments if you recognise the sender and know the content is safe.

Good afternoon David

Just to confirm receipt of your email and that KPMG will respond before your requested timeframe. This will build on the assurances we have provided at the contract level.

Regards

s47F

KPMG
Level 9, 1 Constitution Avenue
Canberra ACT 2601 Australia

Tel s47F
Mob s47F
s47F kpmg.com.au

kpmg.com.au



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By the Department of Health, Disability and Ageing

From: HICKS, David <David.Hicks@health.gov.au>
Sent: Friday, 5 June 2026 1:55 PM
To: s47F @kpmg.com.au>
Cc: CHALMERS, Craig <Craig.Chalmers@health.gov.au>; s22 @health.gov.au>
Subject: [EXTERNAL] Re: MAS Panel - Update on Notification of Significant Event (KPMG) [SEC=OFFICIAL]

CAUTION: This Email is from an EXTERNAL source. Ensure you trust this sender before clicking on any links or attachments.

OFFICIAL

Good afternoon s47F

Thanks for KPMG's correspondence so far at contract manager level in relation to the response and additional advice on the matter at hand.

Attached is a request for assurance and advice on a whole of Department level, that I would appreciate your response to.

Craig and I are happy to discuss as required.

Regards,

David Hicks FCPA

First Assistant Secretary | Chief Financial Officer

Financial Management & Assurance Division | Corporate Operations Group

Australian Government Department of Health, Disability and Ageing

David.Hicks@health.gov.au

s22 or 02 5132 4495

GPO Box 9848, Canberra ACT 2601

Executive Officer – s22 | 02 5132 s22 | s22 @health.gov.au

Executive Assistant – s22 | 02 5132 s22 | s22 @health.gov.au

The Department of Health, Disability and Ageing acknowledges the Traditional Custodians of Australia and their continued connection to land, sea and community. We pay our respects to all Elders past and present.

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*



Australian Government

**Department of Health,
Disability and Ageing**

s47F

KPMG

1 Constitution Ave
CANBERRA ACT 2601

Dear s47F

Notification of Significant Event – Management Advisory Services and People Panels

Thank you for your correspondence advising the Department of Finance of the notification of a significant event under the Management Advisory Services and People Panels. I acknowledge the information provided in relation to governance and conduct matters identified through ongoing investigations, and the changes to your senior leadership arrangements.

The Department takes these matters seriously, particularly where they may have implications for supplier integrity, governance, and confidence in the delivery of services under Commonwealth arrangements. In light of the issues outlined in your notification, the Department is seeking assurance that no individuals currently engaged in work for the Department under individual contracts, or the Management Advisory Services and/or People Panels are associated with the matters that are the subject of the ongoing investigations.

Accordingly, I request that KPMG provide written confirmation that none of the personnel currently performing work for, or proposed to perform work for, the Department under these arrangements are involved in, or otherwise connected to, the matters referred to in your notification. If any such individuals have been, or are proposed to be, engaged in Departmental work, please identify the relevant engagement and outline the steps KPMG has taken, or will take, to manage any associated risk.

The Department would also appreciate any further information you consider relevant to assist our assessment of this matter, including any controls, governance measures or remediation actions that have been implemented to ensure continued compliance with your obligations under the panel arrangements.

Please provide your response by Friday 19 June 2026. If you wish to discuss this request, please contact Craig Chalmers, Assistant Secretary Grants and Procurement Branch.

Yours sincerely

s47F

David Hicks

First Assistant Secretary, Financial Management and Assurance Division

5 June 2026

This document has been released under the Freedom of Information Act 1982 (Cth.)
By the Department of Health, Disability and Ageing

s22

From: CHALMERS, Craig
Sent: Monday, 15 June 2026 5:56 PM
To: DL All Assistant Secretaries; DL Executive Deputies; DL All First Assistant Secretaries
Cc: s22
Subject: KPMG - agreement to not bid for new work until 30 September 2026
[SEC=OFFICIAL]

OFFICIAL

Hi all,

We have been informed this afternoon that KPMG Australia (KPMG) has agreed to not bid for new Commonwealth work between 16 June and 30 September 2026. During this time Finance will commission an independent review of KPMG's governance, culture, ethics and integrity frameworks.

Under this agreement, Commonwealth officials should not enter into any contracts with KPMG for any approaches to market which close between 16 June and 30 September 2026. This agreement captures new engagements (including under whole-of-Australian-Government Panel arrangements), and / or new contracts with a third party which include KPMG being appointed as subcontractors to that third party.

Finance have issued a [Procurement Policy Note](#) which provides further details that will assist in relation to procurements currently underway, existing contracts, and future procurement activities.

If you have any questions or concerns please reach out.

Cheers
Craig

If using assistive software, the message ends here. Email signature below.

Craig Chalmers

Assistant Secretary – Grants and Procurement Branch
Chief Procurement Officer

Financial Management and Assurance Division | Corporate Operations Group
Department of Health, Disability and Ageing
T: 02 5132 1275 | M: s22 | E: craig.chalmers@health.gov.au

Executive Assistant: s22 | T: 02 5132 s22 | E: s22 @health.gov.au

The department acknowledges the Traditional Custodians of Australia and their continued connection to land, sea and community. We pay our respects to all Elders past and present.

OFFICIAL

s22

From: CHALMERS, Craig
Sent: Monday, 15 June 2026 6:03 PM
To: DL FMAD Grants and Procurement BR
Subject: KPMG - agreement to not bid for new work until 30 September 2026
[SEC=OFFICIAL]

OFFICIAL

Hi all,

We have been informed this afternoon that KPMG Australia (KPMG) has agreed to not bid for new Commonwealth work between 16 June and 30 September 2026. During this time Finance will commission an independent review of KPMG's governance, culture, ethics and integrity frameworks.

Under this agreement, Commonwealth officials should not enter into any contracts with KPMG for any approaches to market which close between 16 June and 30 September 2026. This agreement captures new engagements (including under whole-of-Australian-Government Panel arrangements), and / or new contracts with a third party which include KPMG being appointed as subcontractors to that third party.

Finance have issued a [Procurement Policy Note](#) which provides further details that will assist in relation to procurements currently underway, existing contracts, and future procurement activities.

Cheers
Craig

If using assistive software, the message ends here. Email signature below.

Craig Chalmers

Assistant Secretary – Grants and Procurement Branch
Chief Procurement Officer

Financial Management and Assurance Division | Corporate Operations Group
Department of Health, Disability and Ageing
T: 02 5132 1275 | M: s22 | E: craig.chalmers@health.gov.au

Executive Assistant: s22 | T: 02 5132 s22 | E: s22 @health.gov.au

The department acknowledges the Traditional Custodians of Australia and their continued connection to land, sea and community. We pay our respects to all Elders past and present.

OFFICIAL

OFFICIAL

s22

From: s47F [REDACTED]@kpmg.com.au> on behalf of s47F [REDACTED]
s47F [REDACTED]@kpmg.com.au>
Sent: Friday, 12 June 2026 11:11 AM
To: HICKS, David
Cc: CHALMERS, Craig; s22 [REDACTED] s47F [REDACTED] s47F [REDACTED]
Subject: RE: MAS Panel - Update on Notification of Significant Event (KPMG) [SEC=OFFICIAL]
Attachments: KPMG Letter to DHDA - CFO.pdf

Importance: High

REMINDER: Think before you click! This email originated from outside our organisation. Only click links or open attachments if you recognise the sender and know the content is safe.

Good morning David

Please find attached our response to the Department's request for assurance and advice regarding the Notice of Significant Event under the Management Advisory Services and People Panels.

Please let me know if you require any further information or clarification.

Regards

s47F [REDACTED]

KPMG

s47F [REDACTED]

m. s47F [REDACTED]

e. s47F [REDACTED]@kpmg.com.au

From: HICKS, David <David.Hicks@health.gov.au>

Sent: Friday, 5 June 2026 1:55 PM

To: s47F [REDACTED] s47F [REDACTED]@kpmg.com.au>

Cc: CHALMERS, Craig <Craig.Chalmers@health.gov.au>; s22 [REDACTED]@health.gov.au>

Subject: [EXTERNAL] Re: MAS Panel - Update on Notification of Significant Event (KPMG) [SEC=OFFICIAL]

CAUTION: This Email is from an EXTERNAL source. Ensure you trust this sender before clicking on any links or attachments.

OFFICIAL

Good afternoon s47F [REDACTED]

Thanks for KPMG's correspondence so far at contract manager level in relation to the response and additional advice on the matter at hand.

Attached is a request for assurance and advice on a whole of Department level, that I would appreciate your response to.

Craig and I are happy to discuss as required.

Regards,

David Hicks FCPA

First Assistant Secretary | Chief Financial Officer

Financial Management & Assurance Division | Corporate Operations Group

Australian Government Department of Health, Disability and Ageing

David.Hicks@health.gov.au

s22 or 02 5132 4495

GPO Box 9848, Canberra ACT 2601

Executive Officer – s22 | 02 5132 s22 | s22 @health.gov.au

Executive Assistant – s22 | 02 5132 s22 | s22 @health.gov.au

The Department of Health, Disability and Ageing acknowledges the Traditional Custodians of Australia and their continued connection to land, sea and community. We pay our respects to all Elders past and present.

OFFICIAL

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*

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*



Level 9, Constitution Place
1 Constitution Avenue
Canberra City ACT 2601

PO Box 7396
Canberra Business Centre ACT 2610
Australia

ABN: 51 194 660 183

Telephone: +61 2 6248 1111

Facsimile: +61 2 6248 1122

www.kpmg.com.au

David Hicks
Chief Financial Officer
Yaradhang Building
Furzer Street,
Woden ACT 2606

12 June 2026

Dear David,

KPMG Response to Notification of Significant Event – Management Advisory Services and People Panels

I refer to your correspondence sent to s47F dated 5 June 2026 regarding your request for information and assurance in relation to KPMG's management of confidential information.

KPMG takes its obligations in relation to client confidentiality, data protection and independence seriously. This response summarises the relevant matters, the actions being taken in response, and the controls we maintain to protect client information.

Following receipt of your correspondence, we reviewed the matters you raised. This response addresses: (1) the current status of the matter, (2) the actions being taken in response, and (3) how KPMG manages client confidentiality.

1). Current Status of Investigations

KPMG's investigation into the allegations raised by the whistleblower remains ongoing.

Approximately two years ago, a former employee of KPMG Australia made allegations concerning their time at the firm. Some allegations related to workplace grievances, while others related to broader conduct and governance matters.

Allegations raised in the Senate by Senator O'Neill on 24 March 2026 included conduct across audit and tender processes, the handling of concerns raised under the statutory whistleblower regime, audit independence, the handling of confidential client information, generative AI examination cheating, ASX audit tenders, evidence given to a Senate inquiry, alleged retaliation against a whistleblower, and governance processes.

KPMG appointed external legal counsel to investigate the allegations, in addition to its own initial inquiries. Two law firms were engaged: one to review KPMG's internal investigation, and one to conduct an external investigation.

Oversight is being provided by a dedicated Board sub-committee, including independent directors, to support objectivity and the management of actual or perceived conflicts of interest.

2). Impact Assessment

We confirm that KPMG has undertaken an assessment and continues to review whether any client information beyond the matters publicly reported has been affected.

That assessment is being conducted through internal review processes and an independent external investigation led by Allens. The purpose of the investigation is to review earlier findings, assess new evidence, and determine the extent of any issues relating to the handling of client information.

3). Remediation Actions

KPMG has initiated a coordinated set of actions to address the identified shortcomings, with a focus on accountability, transparency, and strengthening governance and investigative processes.

This includes leadership changes, expansion of the independent investigation, enhanced oversight, clear external reporting, and a continued commitment to disciplinary action where misconduct is identified.

Leadership changes

- KPMG Chairman Martin Sheppard has accepted the resignation of Andrew Yates, CEO of KPMG Australia, as the executive with ultimate responsibility for management of the whistleblower process and the management-led investigations.
- Mr Sheppard has also accepted the resignation of Julian McPherson, National Managing Partner Audit and Assurance, who will stand down from this role and will resign from the firm after an orderly transition of his client responsibilities.
- The Board has appointed Stan Stavros as Interim CEO of KPMG Australia while continuing its orderly process to appoint a permanent successor to Mr Yates.
- Scott Guse has been named as the National Managing Partner of Audit and Assurance.
- Eileen Hoggett has stepped down as the COO.
- Appropriate disciplinary action will continue to be imposed if the investigations identify further matters.

Independent investigation and reporting

- The independent investigation led by Allens is continuing with an expanded scope
- Findings are being progressively reported to impacted clients, regulators, professional bodies, and the Parliamentary Committee

Governance and process enhancements

- Oversight of the investigation has been strengthened through a dedicated Board sub-committee, including independent directors, to ensure objectivity and appropriate management of conflicts
- Processes for handling whistleblower matters and investigations are being reviewed and strengthened

Disciplinary actions

- Individuals involved in identified conduct matters have already been sanctioned, including partners who have self-reported to professional bodies
- Further disciplinary action will be taken as additional misconduct is identified through the ongoing investigation

These actions are intended to reinforce accountability, restore confidence, and ensure the robustness of KPMG's governance and investigation processes going forward.

4). Client Confidentiality

KPMG maintains firm-wide policies, controls and processes designed to protect client and engagement information, at all times. Engagement information obtained to support our work is treated as confidential and should only be accessed, used or disclosed for authorised purpose.

Access is controlled through a combination of engagement-level accountability, internal approvals and role-based system permissions. Personnel are required to handle information only to the extent necessary to deliver services and for proper business purposes.

These requirements are supported by secure systems, controlled access protocols and clear standards governing how information is stored, shared and transmitted across both physical and digital environments. Confidential information cannot be shared internally or externally without appropriate authorisation, and any disclosure must be limited to what is necessary for the relevant purpose.

This framework is reinforced through governance and oversight mechanisms, including conflict management processes, escalation pathways through the Office of General Counsel and specialist teams, and formal breach reporting protocols. Breaches of confidentiality are treated seriously and may result in disciplinary or legal consequences, with investigation, remediation and notification undertaken where required.

Together, these measures support the responsible stewardship of client information, reduce the risk of inappropriate access or disclosure, and reinforce the standards expected of all KPMG personnel. We trust this response provides the assurance you require at this time. We will continue to engage transparently should any further relevant matters arise.

5). Confirmation as to whether the matters identified to date have any connection to services provided to the Department of Health, Disability and Ageing

Following a review of all personnel currently assigned to the 16 active projects across Department of Health, Disability and Ageing contracts and work orders, and based on internal investigations as at 11 June 2026, KPMG confirms that no personnel engaged on Department of Health, Disability and Ageing contracts are associated with, or implicated in, the matters currently under investigation as at the date of this letter.

Close

KPMG acknowledges the seriousness of the matters raised and the importance of maintaining client confidence. The firm is engaging directly with clients to provide transparent updates on the issues, findings to date, and the actions underway to address them — including governance enhancements, strengthened confidentiality controls, and independent oversight.

KPMG is committed to rebuilding trust through sustained and visible action, including leadership accountability, an external investigation, cultural review, and process improvements. The firm remains focused on continuing to deliver the quality-of-service clients expect while these matters are addressed, with ongoing, clear communication as further information becomes available.

Please contact us if you would like to discuss any aspect of this response further.

Yours sincerely

s47F

[Redacted signature block]

s47F

KPMG

s47F

[Redacted signature block]

s47F

KPMG



Level 9, Constitution Place
1 Constitution Avenue
Canberra City ACT 2601

ABN: 51 194 660 183
Telephone: +61 2 6248 1111
Facsimile: +61 2 6248 1122
www.kpmg.com.au

PO Box 7396
Canberra Business Centre ACT 2610
Australia

Confidential

s22

Department of Health, Disability and Ageing
Scarborough House, 8 Atlantic Street
Phillip ACT 2606

KPMG_SignificantEvent_
May2026

03 June 2026

Dear s22 ,

Notice of Significant Event

I am writing to notify you of a Significant Event in accordance with Clause 15. Notification of Significant Events of the Department of Health, Disability and Ageing's **National Infrastructure Project Facilitator Services Panel (SON4008583)** concerning the management of whistleblower matters within KPMG Australia.

Firstly, I confirm that:

- we first reported this Significant Event to the Department of Finance on Friday 29 May 2026;
- none of the matters subject to the Notice, and described further below, concern the performance of services to Department of Health, Disability and Ageing;
- we have not identified any inappropriate access, usage, or disclosure of Department of Health, Disability and Ageing data or information in connection with the matters under investigation; and
- none of the Specified Personnel or other personnel engaged in connection with the Services to Department of Health, Disability and Ageing were involved.

The matters raised relate to corporate audit engagements and proposals and do not relate to engagements for government clients. KPMG engagements to the Department of Health, Disability and Ageing are undertaken by dedicated teams of security cleared personnel (where required) and may be subject to additional governance arrangements, such as the Defence Industry Security Program (DISP). We have identified no breach of Commonwealth Confidential Information.

KPMG Australia treatment of a whistleblower and investigation into their allegations fell short of the firm's expectations, those of the whistleblower and the broader community.

The initial internal investigation that did not substantiate the allegations raised by the whistleblower, was in hindsight not conducted with the necessary rigour required.

Understandably this prompted further communications and allegations from the whistleblower, resulting in the appointment of an external legal firm, to review the internal investigation.

The external legal review supported the internal investigation. This outcome further escalated the whistleblower's concerns with the process. The whistleblower again raised the matter with certain independent members of the KPMG Australia Board and others.



At this point, a Board Sub-Committee (led by the Deputy Chair and including three independent directors), appointed Allens to conduct a further external legal investigation, which remains ongoing. Now, with new evidence and an expanded scope, Allens are continuing to challenge the conclusions reached in prior investigations.

The Board has identified areas where KPMG has fallen short of the standards it expects in the handling of such important matters. The Board has confirmed shortcomings in the:

- management of the whistleblower and their concerns;
- the rigour of the investigations; and
- action by leadership regarding the allegations raised.

As a consequence:

- KPMG Chairman Martin Sheppard has accepted the resignation of Andrew Yates, CEO of KPMG Australia, effective immediately – as the executive with ultimate responsibility for management of the whistleblower process and the management-led investigations.
- Mr Sheppard has also accepted the resignation of Julian McPherson, National Managing Partner Audit and Assurance, who will stand down from this role effective immediately and will resign from the firm after an orderly transition of his client responsibilities.
- The Board has appointed Stan Stavros as Interim CEO of KPMG Australia while continuing its orderly process to appoint a permanent successor to Mr Yates.
- An Interim National Managing Partner of Audit and Assurance will be announced shortly.
- Appropriate disciplinary action will continue to be imposed if the investigations identify further matters.

Whistleblower Allegations

KPMG has previously reported to professional bodies, regulators and the Department of Finance that the firm had identified a matter relating to client documents being inappropriately shared internally. Three partners have previously been sanctioned regarding this matter, and they have self-reported to the appropriate professional bodies. We are continuing to investigate this matter. We also reported a second matter concerning an inappropriate remark in a team setting regarding the sharing of client information. Disciplinary action has also been taken. We are continuing to investigate this matter.

The ongoing investigation recently revealed a separate incident where internal documents containing client information have also been inappropriately shared internally. Our investigation into this matter, which does not involve Commonwealth information, is ongoing.

These three conduct matters were raised by the whistleblower. While prior investigations concluded these allegations were unsubstantiated, KPMG now recognises these processes fell short.

KPMG has reported this new finding to impacted clients and regulators and continues to engage with the Department of Finance. Should new findings emerge, this information will be shared with clients, the Committee, regulators, and the Department of Finance. Where misconduct is identified we will work with individuals to self-report to CA ANZ where appropriate.

**Department of Health, Disability and Ageing***Notice of Significant Event*

03 June 2026

I can assure you of the seriousness with which we take these matters and would appreciate the opportunity to explain how we maintain the confidentiality of Department of Health, Disability and Ageing information held or accessed by our team. If you would like more information, please contact me at s47F or via email at s47F [kpmg.com.au](mailto:s47F@kpmg.com.au)

Yours sincerely

s47F

s47F

KPMG

This document has been released under the Freedom of Information Act 1982 (Cth.)
By the Department of Health, Disability and Ageing

s22

From: Procurement Advice
Sent: Thursday, 4 June 2026 7:58 AM
To: Procurement Advice
Cc: s22
Subject: RE: MAS Panel - Update on Notification of Significant Event (KPMG)
CCEMS:07500000049 [SEC=OFFICIAL]
Attachments: MAS Panel - Notification of Significant Event (KPMG) _SEC_OFFICIAL_.msg

OFFICIAL

Dear Contract Managers,

We wish to advise that the Department of Finance has issued a Notification of Significant Event (NoSE) under the Management Advisory Services (MAS) Panel Head Agreement in relation to KPMG Australia (attached).

The notification relates to governance and conduct matters identified through ongoing investigations concerning historical whistleblower allegations. KPMG has advised of associated changes in senior leadership (see below email), including the resignation of its CEO and National Managing Partner – Audit and Assurance, and the appointment of an Interim CEO.

At this stage, Finance has advised that there is no action required by entities, however have stated that the following actions may be taken if deemed appropriate by the applicable areas;

- Entities may seek assurance from KPMG that no individuals engaged on their work orders are associated with the matters currently being raised.
- If any individuals associated with work orders are identified as linked to these matters, entities should consider whether additional risk mitigation steps may be required.
- Entities retain the contractual right to request the removal of specific personnel from work orders consistent with the Head Agreement.

Please note that the department is seeking assurance from KPMG that no individuals engaged on departmental work orders are associated with the matters currently being raised. We will advise you of the outcome and if further action is required.

Finance is continuing to review the notification and will provide further updates as necessary.

If we receive any additional advice or information from Finance, we will share this with you.

Regards,

s22

Procurement Business Partners Section

Financial Management and Assurance Division | Corporate Operations Group
Australian Government Department of Health, Disability and Ageing
E: ProcurementAdvice@health.gov.au
GPO Box 9848, Canberra ACT 2601, Australia

*Please note that **12 June 2026** is the final date for submission of procurement requests requiring PBP review and clear to support actioning by **30 June 2026**.*

Our urgent standard response time is 3–5 business days. However, due to the current high volume of End of Financial Year inquiries, responses may take longer than usual.

For the latest grants and procurement updates, please click on the link to the [Grants and Procurement Newsletter](#) and subscribe to receive ongoing alerts and news.

To ensure prompt responses, please address any replies to this inbox and not to personal inboxes.

----- Original Message -----

From: MAS Panel

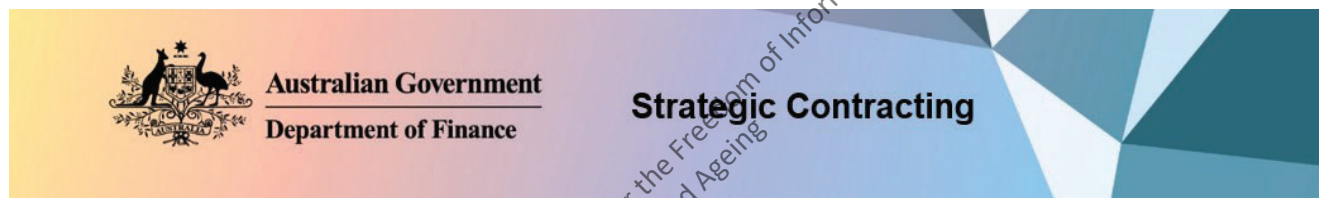
Received: Wed Jun 03 2026 13:04:40 GMT+1000 (Australian Eastern Standard Time)

Subject: MAS Panel - Update on Notification of Significant Event (KPMG) [SEC=OFFICIAL]

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Notification of Significant Event: KPMG

Dear entities

The Department of Finance (Finance) is continuing to assess the notification received from KPMG Australia (KPMG) in accordance with its responsibilities under the MAS Panel Head Agreement and is monitoring the matter.

As previously advised in Finance's update on Friday 29 May 2026, no action is required by entities. However:

- Entities may seek assurance from KPMG that no individuals engaged on their work orders are associated with the matters currently being raised.
- If any individuals associated with work orders are identified as linked to these matters, entities should consider whether additional risk mitigation steps may be required.
- Entities retain the contractual right to request the removal of specific personnel from work orders consistent with the Head Agreement.

KPMG has advised of further changes to its senior leadership, including:

- Scott Guse is appointed as National Managing Partner, Audit and Assurance
- Gayle Dickerson is appointed as National Managing Partner, Deal Advisory and Infrastructure
- Eileen Hoggett is stepping aside from her executive role as COO while investigations are pending.

Finance will continue to keep entities informed of any further developments.

Regards

Commercial Group | Department of Finance

E: maspanel@finance.gov.au | A: One Canberra Ave, FORREST ACT 2603



The Department of Finance acknowledges the traditional custodians of the land on which we work and we pay our respects to Elders past, present and future.



OFFICIAL

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By the Department of Health, Disability and Ageing

s22

From: HICKS, David
Sent: Monday, 15 June 2026 4:37 PM
To: CHALMERS, Craig; s22
Cc: s22; FLEISCHER, Anne
Subject: FW: Procurement Policy Note: KPMG [SEC=OFFICIAL]

OFFICIAL

Good afternoon all,

Updated advice from Finance to go to portfolio agencies as well please s22

Regards,

David Hicks FCPA
First Assistant Secretary | Chief Financial Officer
Financial Management & Assurance Division | Corporate Operations Group

Australian Government Department of Health, Disability and Ageing
David.Hicks@health.gov.au

s22 or 02 5132 4495

GPO Box 9848, Canberra ACT 2601

Executive Officer – s22 | 02 5132 s22 | s22 @health.gov.au

Executive Assistant – s22 | 02 5132 s22 | s22 @health.gov.au

The Department of Health, Disability and Ageing acknowledges the Traditional Custodians of Australia and their continued connection to land, sea and community. We pay our respects to all Elders past and present.

OFFICIAL

From: Danks, Andrew <Andrew.Danks@finance.gov.au>
Sent: Monday, 15 June 2026 4:34 PM
To: s47F @ag.gov.au; s47F @defence.gov.au'
s47F @defence.gov.au; s47F dfat.gov.au; HICKS, David
<David.Hicks@health.gov.au>; s47F @pmc.gov.au; s47F dva.gov.au'
s47F dva.gov.au; s47F dcceew.gov.au; s47F
s47F ato.gov.au; s47F @industry.gov.au'
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s47F dewr.gov.au s47F dewr.gov.au; s47F finance.gov.au;
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s47F [redacted] dceew.gov.au>; s47F [redacted] @defence.gov.au>;
s47F [redacted] dta.gov.au; [redacted] @education.gov.au>;
s47F [redacted] @dewr.gov.au; BALMANNO, Rachel <Rachel.BALMANNO@health.gov.au>;
s47F [redacted] homeaffairs.gov.au' s47F [redacted] homeaffairs.gov.au>; s47F [redacted]
s47F [redacted] @industry.gov.au>; s47F [redacted] @niaa.gov.au>;
s47F [redacted] @niaa.gov.au; s47F [redacted] @aph.gov.au'
s47F [redacted] @aph.gov.au>; s47F [redacted] pmc.gov.au>;
s47F [redacted] @servicesaustralia.gov.au' s47F [redacted] servicesaustralia.gov.au>;
s47F [redacted] dss.gov.au; s47F [redacted] rin@treasury.gov.au>;
s47F [redacted] @dva.gov.au; s47F [redacted] ndis.gov.au>; s47F [redacted]
s47F [redacted] @finance.gov.au>; s47F [redacted] @infrastructure.gov.au; s47F [redacted] @pmc.gov.au>;
s47F [redacted] @dfat.gov.au

Cc: EthicalSourcing s47E(d) [redacted] inance.gov.au>; Sebar, Gareth <Gareth.Sebar@finance.gov.au>

Subject: Procurement Policy Note: KPMG [SEC=OFFICIAL]

OFFICIAL

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Dear Chief Operating Officers, Chief Financial Officers and Chief Procurement Officers

KPMG Australia (KPMG) has agreed to the Department of Finance's (Finance) request that KPMG will not bid for new Commonwealth work between 16 June and 30 September 2026. To implement this agreement, Finance issued a procurement policy note this afternoon which sets out the details - <https://www.finance.gov.au/government/procurement/procurement-policy-notes/procurement-goods-and-services-kpmg>. It outlines the scope of the agreement, provides guidance to Commonwealth officials on engaging with KPMG in relation to procurements currently underway, existing contracts, and future procurement activities, and recommends that non-CPR covered entities adopt a consistent approach and similarly refrain from entering into new engagements with KPMG over the same period.

I ask that you distribute this note to all agencies within your portfolio. Your support is requested in ensuring this mutual agreement is appropriately implemented by your entity. A similar notice will be sent to Secretaries this afternoon.

Should you have any questions, or require additional information, please contact me or ethicalsourcing@finance.gov.au.

Regards,
Andrew

Andrew Danks | First Assistant Secretary
Procurement Division
Department of Finance
T: 02 6215 3996 | M: s47F [redacted]
E: Andrew.Danks@finance.gov.au
A: One Canberra Avenue, Forrest ACT 2603

The Department of Finance acknowledges the traditional custodians of the land on which we work and we pay our respects to Elders past and present.

OFFICIAL

This document has been released under the Freedom of Information Act 1982 (Cth.)
By the Department of Health, Disability and Ageing

s22

From: s22
Sent: Monday, 15 June 2026 6:02 PM
To: s22; s22; s22; s22; s22; s22; s22; s22; s22; s22
Cc: s22; s22
Subject: FW: Procurement Policy Note: KPMG [SEC=OFFICIAL]
Importance: High

Good afternoon everyone

DoF has issued a [Procurement Policy Note](#) to advise that KPMG will not bid for any new Commonwealth work until 30 September 2026. During this period DoF will commission an independent review of KPMGs governance, culture, ethics and integrity frameworks.

If during this period you are asked to review, comment on or provide advice on any documentation/matters regarding KPMG please refer it to your EL, s22 or I. This agreement doesn't apply to any active/current contract arrangements however DoF have noted that entities should be mindful of the requirement to consider relevant experience, performance history, including ethical performance, when assessing value for money in all procurements, and the need to monitor the ethical behaviour of suppliers throughout the term of any contract.

We are currently seeking assurances from KPMG regarding active departmental contracts.

Will discuss further in our section meeting

Regards s22

s22

Director

Procurement Business Partners

Grants and Procurement Branch | Financial Management & Assurance Division
Australian Government Department of Health, Disability and Ageing
T: 02 5132 s22 | E: s22 [health.gov.au](mailto:s22@health.gov.au)
GPO Box 9848, Canberra ACT 2601, Australia

I acknowledge the traditional custodians of the lands and waters where we live and work, and pay my respects to elders past, present and future.

OFFICIAL

From: Danks, Andrew <Andrew.Danks@finance.gov.au>
Sent: Monday, 15 June 2026 4:34 PM
To: s47F <s47F@ag.gov.au>; s47F <s47F@defence.gov.au>; s47F <s47F@dfat.gov.au>; HICKS, David

<David.Hicks@health.gov.au>; s47F @pmc.gov.au; s47F dva.gov.au'
s47F @dva.gov.au; s47F @dcceew.gov.au; s47F
s47F @ato.gov.au; s47F @industry.gov.au'
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s47F @dcceew.gov.au; s47F defence.gov.au;
s47F @dta.gov.au; s47F education.gov.au;
s47F @dewr.gov.au; BALMANNO, Rachel <Rachel.BALMANNO@health.gov.au>;
s47F @homeaffairs.gov.au; s47F @homeaffairs.gov.au; s47F
s47F @industry.gov.au; s47F @niaa.gov.au; s47F @niaa.gov.au;
s47F @niaa.gov.au; s47F @oni.gov.au; s47F @aph.gov.au; s47F
s47F @aph.gov.au; s47F @pmc.gov.au; s47F
s47F @servicesaustralia.gov.au; s47F @servicesaustralia.gov.au;
s47F @dss.gov.au; s47F @treasury.gov.au;
s47F @dva.gov.au; s47F @ndis.gov.au; s47F
s47F @finance.gov.au; s47F @infrastructure.gov.au; s47F @pmc.gov.au;
s47F @dfat.gov.au

Cc: EthicalSourcing s47E(d) @finance.gov.au; Sebar, Gareth <Gareth.Sebar@finance.gov.au>

Subject: Procurement Policy Note: KPMG [SEC=OFFICIAL]

OFFICIAL

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OFFICIAL

Dear Chief Operating Officers, Chief Financial Officers and Chief Procurement Officers

KPMG Australia (KPMG) has agreed to the Department of Finance's (Finance) request that KPMG will not bid for new Commonwealth work between 16 June and 30 September 2026. To implement this agreement, Finance issued a procurement policy note this afternoon which sets out the details - <https://www.finance.gov.au/government/procurement/procurement-policy-notes/procurement-goods-and-services-kpmg>. It outlines the scope of the agreement, provides guidance to Commonwealth officials on engaging with KPMG in relation to procurements currently underway, existing contracts, and future procurement activities, and recommends that non-CPR covered entities adopt a consistent approach and similarly refrain from entering into new engagements with KPMG over the same period.

I ask that you distribute this note to all agencies within your portfolio. Your support is requested in ensuring this mutual agreement is appropriately implemented by your entity. A similar notice will be sent to Secretaries this afternoon.

Should you have any questions, or require additional information, please contact me or s47E(d) @finance.gov.au.

Regards,
Andrew



Andrew Danks | First Assistant Secretary
Procurement Division
Department of Finance

T: 02 6215 3996 | **M:** s47F

E: Andrew.Danks@finance.gov.au

A: One Canberra Avenue, Forrest ACT 2603

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OFFICIAL

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By the Department of Health, Disability and Ageing

s22

From: s47F @finance.gov.au>
Sent: Wednesday, 10 June 2026 2:08 PM
To: CHALMERS, Craig
Cc: Sebar, Gareth
Subject: RE: KPMG media [SEC=OFFICIAL]
Attachments: MAS Panel - Notification of Significant Event (KPMG) [SEC=OFFICIAL]; MAS Panel - Update on Notification of Significant Event (KPMG) [SEC=OFFICIAL]

Follow Up Flag: Follow up
Flag Status: Completed

OFFICIAL

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Hi Craig

I've attached for your visibility the two emails Finance has sent to entities regarding KPMG. The second email (3 June) outlines the practical steps that entities may take to manage risk under their own contractual arrangements where concerns arise.

In response to your question, the standard lines that Finance has been using in response to media enquiries is:

The Department of Finance is taking these allegations extremely seriously and is in active conversation with KPMG on this matter. Finance is reserving its rights in relation to this, including the potential to suspend KPMG from the MAS Panel or to seek a mutual agreement for KPMG not to bid for any Commonwealth work for a pre-determined period of time.

Finance has notified other Commonwealth entities that this is a **significant event** that is being assessed by Finance, and that entities:

- May seek assurance from KPMG that no individuals engaged on their work orders are associated with the matters currently being raised.
- If any individuals associated with work orders are identified as linked to these matters, entities should consider whether additional risk mitigation steps may be required.
- Entities retain the contractual right to request the removal of specific personnel from work orders consistent with the Head Agreement.

I hope this assists.

Kind regards

s47F

If using assistive software, message ends here. Email signature and accessibility considerations below.

s47F | A/g Assistant Secretary
Strategic Contracting Branch | Procurement Division
Commercial Group
Department of Finance
T s47F | M s47F
A One Canberra Avenue, Forrest ACT 2603



The Department of Finance acknowledges the Traditional Owners and Custodians of the land on which we work and we pay our respects to Elders past and present. [Artwork story](#).

OFFICIAL

From: CHALMERS, Craig <Craig.Chalmers@health.gov.au>
Sent: Wednesday, 10 June 2026 1:51 PM
To: Sebar, Gareth <Gareth.Sebar@finance.gov.au>; s47F @finance.gov.au>
Subject: FW: KPMG media [SEC=OFFICIAL]

OFFICIAL

Hi Gareth and s47F

Grateful for any advice on standard lines we could use?

Thanks
Craig

OFFICIAL

From: Danks, Andrew <Andrew.Danks@finance.gov.au>
Sent: Wednesday, 10 June 2026 1:44 PM
To: CHALMERS, Craig <Craig.Chalmers@health.gov.au>
Cc: HICKS, David <David.Hicks@health.gov.au>; s47F @finance.gov.au>;
Sebar, Gareth <Gareth.Sebar@finance.gov.au>
Subject: RE: KPMG media [SEC=OFFICIAL]

OFFICIAL

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OFFICIAL

Hi Craig

Andrew

OFFICIAL

From: CHALMERS, Craig <Craig.Chalmers@health.gov.au>
Sent: Wednesday, 10 June 2026 1:42 PM
To: Danks, Andrew <Andrew.Danks@finance.gov.au>
Cc: HICKS, David <David.Hicks@health.gov.au>
Subject: KPMG media [SEC=OFFICIAL]

OFFICIAL

Hi Andrew

We've received a media enquiry on our contracts with KPMG. Is there someone in your team I can talk to so we are consistent with whole of govt messaging in our response?

Thanks
Craig

If using assistive software, the message ends here. Email signature below.

Craig Chalmers

Assistant Secretary – Grants and Procurement Branch
Chief Procurement Officer

Financial Management and Assurance Division | Corporate Operations Group
Department of Health, Disability and Ageing
T: 02 5132 1275 | M: s22 | E: craig.chalmers@health.gov.au

Executive Assistant: s22 | T: 02 5132 s22 | E: s22 @health.gov.au

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By the Department of Health, Disability and Ageing

s22

From: MAS Panel <MASPanel@finance.gov.au>
Sent: Friday, 29 May 2026 12:48 PM
Subject: MAS Panel - Notification of Significant Event (KPMG) [SEC=OFFICIAL]

OFFICIAL



Notification of Significant Event: KPMG

Dear entities,

The Department of Finance (Finance) advises that it has received a Notification of Significant Event (NoSE) under the Management Advisory Services (MAS) Panel Head Agreement from KPMG Australia (KPMG).

KPMG has advised that the notification relates to governance and conduct matters identified through ongoing investigations concerning historical whistleblower allegations. As outlined in the notification, KPMG has also advised of changes in senior leadership, including:

- the resignation of the Chief Executive Officer, Mr Andrew Yates
- the resignation of the National Managing Partner – Audit and Assurance, Mr. Julian McPherson
- the appointment of an Interim Chief Executive Officer, Mr Stan Stavros

Finance is reviewing the notification in accordance with its responsibilities under the MAS Panel Head Agreement. At this stage, there is no action required by entities.

Finance will keep entities informed of any further developments.

Regards,

Strategic Contracting Branch | Procurement Division

Commercial Group | Department of Finance

E: maspanel@finance.gov.au | A: One Canberra Ave, FORREST ACT 2603



The Department of Finance acknowledges the traditional custodians of the land on which we work and we pay our respects to Elders past, present and future.



s22

From: MAS Panel <MASPanel@finance.gov.au>
Sent: Wednesday, 3 June 2026 1:04 PM
Subject: MAS Panel - Update on Notification of Significant Event (KPMG) [SEC=OFFICIAL]

OFFICIAL



Notification of Significant Event: KPMG

Dear entities

The Department of Finance (Finance) is continuing to assess the notification received from KPMG Australia (KPMG) in accordance with its responsibilities under the MAS Panel Head Agreement and is monitoring the matter.

As previously advised in Finance's update on Friday 29 May 2026, no action is required by entities. However:

- Entities may seek assurance from KPMG that no individuals engaged on their work orders are associated with the matters currently being raised.
- If any individuals associated with work orders are identified as linked to these matters, entities should consider whether additional risk mitigation steps may be required.
- Entities retain the contractual right to request the removal of specific personnel from work orders consistent with the Head Agreement.

KPMG has advised of further changes to its senior leadership, including:

- Scott Guse is appointed as National Managing Partner, Audit and Assurance
- Gayle Dickerson is appointed as National Managing Partner, Deal Advisory and Infrastructure
- Eileen Hoggett is stepping aside from her executive role as COO while investigations are pending.

Finance will continue to keep entities informed of any further developments.

Regards

Strategic Contracting Branch | Procurement Division

Commercial Group | Department of Finance

E: maspanel@finance.gov.au | A: One Canberra Ave, FORREST ACT 2603



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s22

From: s22
Sent: Friday, 12 June 2026 3:30 PM
To: CHALMERS, Craig
Cc: HICKS, David
Subject: FW: MAS Panel - Update on Notification of Significant Event (KPMG)
[SEC=OFFICIAL]

OFFICIAL

Hi Craig,

Now that we have received KPMG's response, I suggest we send the email below to the relevant contract managers and branch heads. This will ensure everyone is updated with KPMG's assurance and also serves as a reminder regarding their responsibilities as delegates. If you're happy with the draft, we can send it out directly, or alternatively, provide s22 with the relevant contact details so she can send it.

Let me know how you'd like to proceed.

Thanks s22

DRAFT Email

Subject: KPMG notification and contract management considerations

Good morning

KPMG has advised the Department of Finance of a significant event. In response, the department sought assurance that none of the personnel currently performing work for the department are involved in, or connected to, the matters referred to in that notification. KPMG has provided that assurance (see attached response).

While the department has received these assurances, delegates and contract managers remain responsible for the ongoing management of their contracts, including satisfying themselves that supplier conduct continues to meet contractual and ethical expectations, and that any actual, potential or perceived conflicts of interest are identified, declared and appropriately managed.

To assist you in considering whether any further action is required in relation to your contract, the following questions may be relevant:

- Does the information provided by KPMG, together with the department's assurance process, address the key risks relevant to your contract?
- Are there any known ethical conduct issues, reputational risks, or conflict of interest concerns that require further consideration in the context of the services being delivered?
- Are your contract management records, including conflict of interest declarations and risk assessments, current and complete?

- Do you need any additional assurance from KPMG in light of the nature, risk profile or sensitivity of the work being performed?
- Would any actions be required under the contract if circumstances change or further information becomes available?
- Are you seeking to extend the contract, ensure you can justify the required extension and that it represents value for money

Given the potential complexity and sensitivity of these matters, you should seek legal advice before exercising any remedies available under a contract.

If helpful, we can provide further support in working through the contract management considerations for your particular arrangements with KPMG.

Kind regards

s22

Director

Procurement Business Partners

Grants and Procurement Branch | Financial Management & Assurance Division
Australian Government Department of Health, Disability and Ageing
T: 02 5132 s22 | E: s22@health.gov.au
GPO Box 9848, Canberra ACT 2601, Australia

I acknowledge the traditional custodians of the lands and waters where we live and work, and pay my respects to elders past, present and future.

OFFICIAL

From: HICKS, David <David.Hicks@health.gov.au>

Sent: Friday, 12 June 2026 11:38 AM

To: s47F@kpmg.com.au

Cc: CHALMERS, Craig <Craig.Chalmers@health.gov.au>; s22

s22@health.gov.au; s47F@kpmg.com.au; s47F

s47F@kpmg.com.au

Subject: RE: MAS Panel - Update on Notification of Significant Event (KPMG) [SEC=OFFICIAL]

OFFICIAL

Thanks s47F

Acknowledging receipt of this update.

Regards,

David Hicks FCPA

First Assistant Secretary | Chief Financial Officer

Financial Management & Assurance Division | Corporate Operations Group

Australian Government Department of Health, Disability and Ageing

David.Hicks@health.gov.au

s22 or 02 5132 4495

GPO Box 9848, Canberra ACT 2601

Executive Officer – s22 | 02 5132 s22 | s22 @health.gov.au

Executive Assistant – s22 | 02 5132 s22 | s22 @health.gov.au

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OFFICIAL

From: s47F @kpmg.com.au> **On Behalf Of** s47F

Sent: Friday, 12 June 2026 11:11 AM

To: HICKS, David <David.Hicks@health.gov.au>

Cc: CHALMERS, Craig <Craig.Chalmers@health.gov.au>; s22

s22 @health.gov.au>; s47F kpmg.com.au>; s47F

s47F @kpmg.com.au>

Subject: RE: MAS Panel - Update on Notification of Significant Event (KPMG) [SEC=OFFICIAL]

Importance: High

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Good morning David

Please find attached our response to the Department's request for assurance and advice regarding the Notice of Significant Event under the Management Advisory Services and People Panels.

Please let me know if you require any further information or clarification.

Regards

s47F

KPMG

s47F

m. s47F

e. s47F @kpmg.com.au

From: HICKS, David <David.Hicks@health.gov.au>

Sent: Friday, 5 June 2026 1:55 PM

To: s47F @kpmg.com.au>

Cc: CHALMERS, Craig <Craig.Chalmers@health.gov.au>; s22 @health.gov.au>

Subject: [EXTERNAL] Re: MAS Panel - Update on Notification of Significant Event (KPMG) [SEC=OFFICIAL]

OFFICIAL

Good afternoon s47F

Thanks for KPMG's correspondence so far at contract manager level in relation to the response and additional advice on the matter at hand.

Attached is a request for assurance and advice on a whole of Department level, that I would appreciate your response to.

Craig and I are happy to discuss as required.

Regards,

David Hicks FCPA

First Assistant Secretary | Chief Financial Officer

Financial Management & Assurance Division | Corporate Operations Group

Australian Government Department of Health, Disability and Ageing

David.Hicks@health.gov.au

s22 or 02 5132 4495

GPO Box 9848, Canberra ACT 2601

Executive Officer – s22 | 02 5132 s22 | s22 @health.gov.au

Executive Assistant – s22 | 02 5132 s22 | s22 @health.gov.au

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*

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*

s22

From: s22
Sent: Thursday, 28 May 2026 4:28 PM
To: CHALMERS, Craig
Cc: s22
Subject: RE: Estimates prep [SEC=OFFICIAL]
Attachments: 20260522 - KPMG Contracts - Response.xlsx

OFFICIAL

I already have the KPMG data in anticipation....

Will see if we can pull AGC.

Kind regards,

s22

s22

Director | Strategy and Insights

Grants and Procurement Branch | Financial Management and Assurance Division | Corporate Operations Group

Department of Health, Disability and Ageing

T: 02 5132 s22 | s22

E: s22 @health.gov.au

Location: Yaradhang Building – 5.S.5258

GPO Box 9848, Canberra ACT 2601, Australia

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From: CHALMERS, Craig <Craig.Chalmers@health.gov.au>
Sent: Thursday, 28 May 2026 4:27 PM
To: s22 @Health.gov.au>
Cc: s22 .RICHARDS@health.gov.au>
Subject: FW: Estimates prep [SEC=OFFICIAL]

OFFICIAL

s22 – can you please get the team to pull this out – big 4 brief but detailed listing of KPMG work.

Do we have procurement data for AGC?

OFFICIAL

From: HICKS, David <David.Hicks@health.gov.au>
Sent: Thursday, 28 May 2026 4:22 PM
To: CHALMERS, Craig <Craig.Chalmers@health.gov.au>
Cc: s22 <[REDACTED]@health.gov.au>
Subject: FW: Estimates prep [SEC=OFFICIAL]

OFFICIAL

Estimates briefing – further detail on what contracts we have with KPMG, and then what we’ve done with AGC please.

Regards,

David Hicks FCPA
First Assistant Secretary | Chief Financial Officer
Financial Management & Assurance Division | Corporate Operations Group

Australian Government Department of Health, Disability and Ageing

David.Hicks@health.gov.au

s22 or 02 5132 4495

GPO Box 9848, Canberra ACT 2601

Executive Officer – s22 | 02 5132 s22 | s22 @health.gov.au

Executive Assistant – s22 | 02 5132 s22 | s22 @health.gov.au

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From: BALMANNO, Rachel <Rachel.BALMANNO@health.gov.au>
Sent: Thursday, 28 May 2026 4:21 PM
To: HICKS, David <David.Hicks@health.gov.au>
Cc: s22 <[REDACTED]@health.gov.au>
Subject: Estimates prep [SEC=OFFICIAL]

OFFICIAL

Hi David

Couple of things that came up in the prep session with Blair and the Deps this arvo.

1. Contracts with KPMG – what for, what cost
2. What we have used AGC for, at what cost

These have come up in other portfolios

Is it possible to have these ready?

R

Rachel Balmanno (Ms/she/her)

Chief Operating Officer

Australian Government Department of Health, Disability and Ageing
T: 02 5132 0917 | E: rachel.balmanno@health.gov.au
Location: Yaradhang Building Level 6 North
PO Box 9848, Canberra ACT 2601, Australia

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KPMG Procurement Contracts

- As at 22 May 2026, a total of 24 active contracts have been awarded to KPMG with a combined total value of \$37.3 million
- This is made up of 12 new contracts that commenced this financial year with a combined value of \$5.6 million
- The other 12 were multi-year contracts that had commenced in previous financial years with a combined value of \$31.6 million
- 80% of active contracts were awarded through standing offer through 5 different panels

Contract Panel Title	Contract No.	Contract Description	Contracted Vendor Name	FY Commencement	Active Contracts	Work Commencement Date	Contract Completion Date	Contract value	Procurement Method	Panel Title	UNSPSC Category
4500163256	CN4240043	Digital Augmentation Services	Kpmg Australia Technology Solutions	2025-2026	Active	11/05/2026	11/05/2027	\$999,999.10	Standing Offer	Digital Marketplace Panel 2	Temporary personnel services
4500163198	CN4238488	Professional Services	Kpmg	2025-2026	Active	4/05/2026	30/06/2026	\$275,000.00	Standing Offer	Digital Marketplace Panel 2	Temporary personnel services
4500163104	CN4234625	Work Order for National Infrastructure Project Facilitator	Kpmg	2025-2026	Active	20/04/2026	30/06/2026	\$746,198.07	Standing Offer	National Infrastructure Project Fac	Project administration or planning
4500162549	CN4219219-A1	Administration Costing Study	Kpmg	2025-2026	Active	10/02/2026	30/06/2026	\$296,170.00	Standing Offer	Management Advisory Services (IV)	Management advisory services
4500162443	CN4218532	Work Order for National Infrastructure Project Facilitator	Kpmg	2025-2026	Active	4/02/2026	30/06/2026	\$98,183.00	Standing Offer	National Infrastructure Project Fac	Project administration or planning
4500162435	CN4217723	Policy Advice	Kpmg	2025-2026	Active	3/02/2026	03/08/2026	\$142,470.90	Limited Tender	N/A	Project administration or planning
4500162359	CN4216197	Provision of Accelerated Reporting Packages	Kpmg	2025-2026	Active	21/01/2026	20/01/2028	\$93,000.00	Standing Offer	Management Advisory Services (IV)	Management information systems MIS
4500161654	CN4202874	Mid-Term Evaluation of Ensuring Provision of Essential Aeromed	Kpmg	2025-2026	Active	22/10/2025	30/10/2026	\$760,895.39	Standing Offer	Management Advisory Services (IV)	Management advisory services
4500161605	CN4195869-A1	National Review of First Nations Health Care in Prisons	Kpmg	2025-2026	Active	14/10/2025	30/06/2026	\$875,766.85	Standing Offer	Management Advisory Services (IV)	Management advisory services
4500160952	CN4178136	Service Development Assistance Panel	Kpmg	2025-2026	Active	6/08/2025	30/06/2026	\$540,863.88	Standing Offer	Rural, Remote and First Nations A1	Health programs
4500160860	CN4172762	Provision of taxation advice and support	Kpmg	2025-2026	Active	23/07/2025	30/06/2026	\$35,999.87	Standing Offer	Management Advisory Services (IV)	Management advisory services
4500160746	CN4169771-A1	Tranche Dialysis Sites	Kpmg	2025-2026	Active	4/07/2025	30/06/2026	\$775,608.67	Standing Offer	National Infrastructure Project Fac	Project administration or planning
4500161011	CN4155590	Management Advisory Services	Kpmg	2024-2025	Active	23/06/2025	30/09/2026	\$806,475.00	Standing Offer	Management Advisory Services (IV)	Management advisory services
4500160195	CN4162770	Service Development Assistance Panel	Kpmg	2024-2025	Active	20/06/2025	30/12/2026	\$200,000.00	Standing Offer	Rural, Remote and First Nations A1	Health programs
4500159028	CN4128367	Technical Accounting Services	Kpmg	2024-2025	Active	10/02/2025	30/09/2026	\$75,000.00	Standing Offer	Management Advisory Services (IV)	Management advisory services
4500158906	CN4128362-A1	Evaluation Services for the National Medical Workforce Strategy	Kpmg	2024-2025	Active	31/01/2025	30/06/2026	\$570,379.00	Standing Offer	Management Advisory Services (IV)	Management advisory services
4500158834	CN4125354	Rural, Remote and First Nations Aged Care Service Development	Kpmg	2024-2025	Active	28/01/2025	30/06/2026	\$498,907.03	Standing Offer	Rural, Remote and First Nations A1	Health programs
4500157558	CN4098548-A2	Rural Remote and First Nations Aged Care Service Development	Kpmg	2024-2025	Active	16/09/2024	30/06/2026	\$786,540.91	Standing Offer	Rural, Remote and First Nations A1	Health programs
4500157554	CN4098559-A1	Rural, Remote and First Nations Aged Care Development Assistant	Kpmg	2024-2025	Active	16/09/2024	30/06/2026	\$198,340.57	Standing Offer	Rural, Remote and First Nations A1	Health programs
4500156363	CN4070299	Develop Pathways for Non-medical Practitioners to Deliver Cervix	Kpmg	2023-2024	Active	19/06/2024	30/06/2027	\$1,393,076.01	Standing Offer	Management Advisory Services (IV)	Management advisory services
4500153662	CN4016271-A3	National Infrastructure Project Facilitator Services	Kpmg	2023-2024	Active	12/10/2023	31/12/2026	\$3,124,107.62	Standing Offer	National Infrastructure Project Fac	Project administration or planning
4500152815	CN3991941-A2	Provision Of Capability Support Services	Kpmg	2023-2024	Active	31/07/2023	31/07/2026	\$21,296,000.00	Standing Offer	Digital Marketplace Panel 1.0	Computer services
4500152563	CN3989786-A3	Provision of Data Quality Checks and Advice	Kpmg	2023-2024	Active	3/07/2023	30/06/2026	\$1,535,247.51	Standing Offer	Management Advisory Services (IV)	Management advisory services
4500150566	CN3937692-A2	Provision of Support and Maintenance Services	Kpmg Chartertech Pty Ltd	2022-2023	Active	3/01/2023	31/12/2026	\$1,187,156.00	Standing Offer	Digital Marketplace Panel 1.0	Computer services
Grant Total								80	\$63,645,795.95		

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By the Department of Health, Disability and Ageing

s22

From: BALMANNO, Rachel
Sent: Thursday, 11 June 2026 2:10 PM
To: HICKS, David; s22
Cc: s22; s22; s22; CHALMERS, Craig
Subject: RE: MEDIA ENQUIRY FOR RESPONSE BY 3PM Thursday 11/6 - Capital Brief - KPMG contract - AGENCY RESPONSES [SEC=OFFICIAL]

OFFICIAL

Happy with that. Thanks for connecting with others

Rachel Balmanno (Ms/she/her)

Chief Operating Officer

Australian Government Department of Health, Disability and Ageing
T: 02 5132 0917 | E: rachel.balmanno@health.gov.au
Location: Yaradhang Building Level 6 North
PO Box 9848, Canberra ACT 2601, Australia

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OFFICIAL

From: HICKS, David <David.Hicks@health.gov.au>
Sent: Thursday, 11 June 2026 12:36 PM
To: s22 @Health.gov.au; BALMANNO, Rachel <Rachel.BALMANNO@health.gov.au>
Cc: s22 @health.gov.au; s22 @Health.gov.au; s22 @Health.gov.au; CHALMERS, Craig <Craig.Chalmers@health.gov.au>
Subject: RE: MEDIA ENQUIRY FOR RESPONSE BY 3PM Thursday 11/6 - Capital Brief - KPMG contract - AGENCY RESPONSES [SEC=OFFICIAL]

OFFICIAL

Just for additional info on this that isn't captured in the trail – draft response aligns to advice sought from Department of Finance. We've used their wording to ensure consistency across other agencies that might receive a similar request.

Regards,

David Hicks FCPA
First Assistant Secretary | Chief Financial Officer
Financial Management & Assurance Division | Corporate Operations Group

Australian Government Department of Health, Disability and Ageing

David.Hicks@health.gov.au

s22 or 02 5132 4495

GPO Box 9848, Canberra ACT 2601

Executive Officer – s22 | 02 5132 s22 | s22 @health.gov.au

Executive Assistant – s22 | 02 5132 s22 | s22 @health.gov.au

The Department of Health, Disability and Ageing acknowledges the Traditional Custodians of Australia and their continued connection to land, sea and community. We pay our respects to all Elders past and present.

OFFICIAL

From: s22

Sent: Thursday, 11 June 2026 12:34 PM

To: BALMANNO, Rachel

Cc: s22 ; s22 ; s22 ; HICKS, David ; CHALMERS, Craig

Subject: FW: MEDIA ENQUIRY FOR RESPONSE BY 3PM Thursday 11/6 - Capital Brief - KPMG contract - AGENCY RESPONSES [SEC=OFFICIAL]

OFFICIAL

Hi Rachel,

Please see media request response below for your clearance .

This is due back to the news team by **3pm today, 11 June.**

Please let me know if you require anything further.

Kind Regards,

s22

Executive Assistant to David Hicks – First Assistant Secretary – Chief Financial Officer
Financial Management Division | Corporate Operations Group

Australian Government Department of Health, Disability and Ageing

s22@health.gov.au

02 5132 s22

GPO Box 9848, Canberra ACT 2601

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OFFICIAL

From: HICKS, David <David.Hicks@health.gov.au>

FOI 26-3260 - Doc. 23

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Sent: Thursday, 11 June 2026 12:26 PM

To: s22 <[REDACTED]@Health.gov.au>; CHALMERS, Craig <Craig.Chalmers@health.gov.au>;
s22 <[REDACTED]@Health.gov.au>

Cc: s22 <[REDACTED]@health.gov.au>; s22 <[REDACTED]@health.gov.au>;
s22 <[REDACTED]@health.gov.au>; FLEISCHER, Anne <Anne.FLEISCHER@Health.gov.au>

Subject: RE: MEDIA ENQUIRY FOR RESPONSE BY 3PM Thursday 11/6 - Capital Brief - KPMG contract - AGENCY RESPONSES [SEC=OFFICIAL]

OFFICIAL

Thanks for confirming s22

So I think we can run with:

Draft response

The Department is aware of the matters raised regarding KPMG. We take these matters extremely seriously and have sought assurance from KPMG that no personnel engaged on our work are associated with the matters under investigation.

The Department of Finance is leading whole-of-government engagement with KPMG and is in active discussions with the firm.

We will continue to monitor the situation closely and work with the Department of Finance on any further action.

s22 could you please run through Rachel for clearance?

Regards,

David Hicks FCPA

First Assistant Secretary, Chief Financial Officer

Financial Management & Assurance Division | Corporate Operations Group

Australian Government Department of Health, Disability and Ageing

David.Hicks@health.gov.au

s47F or 02 5132 4495

GPO Box 9848, Canberra ACT 2601

Executive Officer – s22 | 02 5132 s22 | s22 @health.gov.au

Executive Assistant – s22 | 02 5132 s22 | s22 @health.gov.au

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OFFICIAL

From: s22 @Health.gov.au>

FOI 26-3260 - Doc. 23

Page 4

Sent: Thursday, 11 June 2026 9:18 AM

To: CHALMERS, Craig <Craig.Chalmers@health.gov.au>; HICKS, David <David.Hicks@health.gov.au>

Cc: s22 @health.gov.au>; s22 @health.gov.au>; FLEISCHER, Anne <Anne.FLEISCHER@Health.gov.au>

Subject: RE: MEDIA ENQUIRY FOR RESPONSE BY 3PM Thursday 11/6 - Capital Brief - KPMG contract - AGENCY RESPONSES [SEC=OFFICIAL]

OFFICIAL

Morning David and Craig

The input received from the relevant agencies is below – one agency is outstanding to reply:

- NDIS Quality and Safeguards Commission (\$450,104)
The NDIS Quality and Safeguards Commission has three current contracts with KPMG with a combined value of \$450,104. The Commission is working with the Department of Finance and is following its advice. We will continue to work with KPMG to seek assurances on the arrangements and delivery of this work. At this stage, there are no plans to review, retender or otherwise change these arrangements.
- National Blood Authority (\$392,131)
The NBA can confirm it has a contract with KPMG at the value of \$392,131. The NBA is not looking to amend its contract at this time.
- Aged Care Quality and Safety Commission (\$218,487)
As of the time of this email, nil response from the agency. The agency has confirmed that it is seeking internal review and approval of a response.
- National Health Funding Body (\$119,464)
The proposed response reflects NHFB's position also. Additional information as requested:
 1. *Is the agency reviewing, retendering or not changing any of its contracts with KPMG given current news of alleged handling of confidential information?* No change — the current contract expires in November 2026 with no extension options (info on AusTender)
 2. *Confirm the value of your agency's KPMG contract for the 2025-26 FY:* \$119,464 is the value of the most recent 12-month extension, ending in November 2026 (info on AusTender). The FY25-26 amount would be about the same.
- National Health and Medical Research Council (\$44,237)
The NHMRC has one contract with KPMG and confirms the value reported on AusTender as \$44,237.50.

s22

OFFICIAL

From: CHALMERS, Craig <Craig.Chalmers@health.gov.au>

Sent: Wednesday, 10 June 2026 6:52 PM

To: HICKS, David <David.Hicks@health.gov.au>

Cc: s22 @health.gov.au>; s22 @Health.gov.au>; s22 @health.gov.au>

Subject: FW: MEDIA ENQUIRY FOR RESPONSE BY 3PM Thursday 11/6 - Capital Brief - KPMG contract [SEC=OFFICIAL]

Importance: High

Thanks
Craig

OFFICIAL

From: CHALMERS, Craig
Sent: Wednesday, 10 June 2026 3:43 PM
To: s22 [REDACTED] <s22@Health.gov.au>
Cc: HICKS, David <David.Hicks@health.gov.au>; s22 [REDACTED] <s22@health.gov.au>; s22 [REDACTED] <s22@health.gov.au>; s22 [REDACTED] <s22@health.gov.au>; FMAD Coord s47E(d) [REDACTED] <[s47E\(d\)@health.gov.au](mailto:s47E(d)@health.gov.au)>
Subject: FW: MEDIA ENQUIRY FOR RESPONSE BY 3PM Thursday 11/6 - Capital Brief - KPMG contract [SEC=OFFICIAL]
Importance: High

Hi s22

Draft of a media response below. Grateful if you could share with portfolio entities listed, and seek any additional input regarding their contracts.

Thanks
Craig

Agencies:

- NDIS Quality and Safeguards Commission (\$450,104)
- National Blood Authority (\$392,131)
- Aged Care Quality and Safety Commission (\$218,487)
- National Health Funding Body (\$119,464)
- National Health and Medical Research Council (\$44,237)

Draft response

The Department is aware of the matters raised regarding KPMG. We take these matters extremely seriously and have sought assurance from KPMG that no personnel engaged on our work are associated with the matters under investigation.

The Department of Finance is leading whole-of-government engagement with KPMG and is in active discussions with the firm.

We will continue to monitor the situation closely and work with the Department of Finance on any further action.

From: FMAD Coord s47E(d) <[health.gov.au](#)>

Sent: Wednesday, 10 June 2026 1:25 PM

To: CHALMERS, Craig <[Craig.Chalmers@health.gov.au](#)>; s22
s22 <[@health.gov.au](#)>; s22 <[@health.gov.au](#)>

Cc: s22 <[@health.gov.au](#)>; s22 <[@Health.gov.au](#)>; s22 <[Health.gov.au](#)>; s22
<s22 @Health.gov.au>; FMAD Coord s47E(d) <[@health.gov.au](#)>; s22
s22 <[@health.gov.au](#)>; HICKS, David <[David.Hicks@health.gov.au](#)>

Subject: FW: MEDIA ENQUIRY FOR RESPONSE BY 3PM Thursday 11/6 - Capital Brief - KPMG contract [SEC=OFFICIAL]

Importance: High

Hello,

We have received the below enquiry from s11C [REDACTED] regarding **KPMG contracts**. Please provide a AS cleared response by **2pm, tomorrow, Thursday 11 June**.

Just wanted to know if the Department of Health, Disability and Ageing is reviewing, retendering or not changing any of its 22 contracts (worth \$35.7 million) with KPMG given current news of alleged handling of confidential information?

I also wanted to confirm the department's KPMG contracts are worth \$35.7 million and if there are any other contracts.

Looking for comments on the same question on reviewing, retendering or not changing KPMG contracts for these departments as well, and to confirm these figures:

- Department of Health and Aged Care (\$1.97m)
- NDIS Quality and Safeguards Commission (\$450,104)
- National Blood Authority (\$392,131)
- Aged Care Quality and Safety Commission (\$218,487)
- National Health Funding Body (\$119,464)
- National Health and Medical Research Council (\$44,237)

Would also be great to get a comment on its views on KPMG given recent allegations.

Important information when responding to media enquiries:

- Where possible, journalists should be referred to publicly available information and statistics in the first instance.
- **Media responses should be 4-5 lines maximum and should be written in plain language.**

Additional technical information or more detailed answers should be provided "On background". This information is used to inform the story but is not used as a direct quote from the department

Kind Regards,

s22

Executive Assistant to David Hicks – First Assistant Secretary – Chief Financial Officer
Financial Management Division | Corporate Operations Group

Australian Government Department of Health, Disability and Ageing

s22 @health.gov.au

02 5132 s22

GPO Box 9848, Canberra ACT 2601

The Department of Health and Aged Care acknowledges the Traditional Custodians of Australia and their continued connection to land, sea and community. We pay our respects to all Elders past and present.

From: News <news@health.gov.au>

Sent: Wednesday, 10 June 2026 11:50 AM

To: FMAD Coord s47E(d) @health.gov.au>

Cc: s22 @Health.gov.au>; News <news@health.gov.au>

Subject: MEDIA ENQUIRY FOR RESPONSE BY 3PM Thursday 11/6 - Capital Brief - KPMG contract
[SEC=OFFICIAL]

OFFICIAL

OFFICIAL

Hi team

We have received the below enquiry from s11C regarding **KPMG contracts**.
Please provide a cleared response by **3pm tomorrow**.

Important information when responding to media enquiries:

- Where possible, journalists should be referred to publicly available information and statistics in the first instance.
- **Media responses should be 4-5 lines maximum and should be written in plain language.**
- Additional technical information or more detailed answers should be provided "On background". This information is used to inform the story but is not used as a direct quote from the department.

Thanks

s22

Media and Events

Unless stated otherwise, this information is provided on a background basis and should not be attributed.

The Department of Health and Aged Care acknowledges First Nations peoples as the Traditional Owners of Country throughout Australia, and their continuing connection to land, sea and community. We pay our respects to them and their cultures, and to all Elders both past and present.

OFFICIAL

From s11C
Sent: Wednesday, 10 June 2026 10:59 AM
To: News <news@health.gov.au>
Subject: KPMG contracts with Health

REMINDER: Think before you click! This email originated from outside our organisation. Only click links or open attachments if you recognise the sender and know the content is safe.

Hi there,

I hope you're well.

Just wanted to know if the Department of Health, Disability and Ageing is reviewing, retendering or not changing any of its 22 contracts (worth \$35.7 million) with KPMG given current news of alleged handling of confidential information?

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- Aged Care Quality and Safety Commission (\$218,487)
- National Health Funding Body (\$119,464)
- National Health and Medical Research Council (\$44,237)

Would also be great to get a comment on its views on KPMG given recent allegations.

Please let me know if I could have a chat with someone on this. My deadline is 3pm.

Thanks,

s11C

News editor

capitalbrief.com

This document has been released under the Freedom of Information Act 1982 (Cth.)
By the Department of Health, Disability and Ageing