



Email

20 December 2018

The Treasury
Black Economy Division
Langton Crescent
Parkes ACT 2600

blackeconomy@treasury.gov.au

Dear Sir/Madam

Consultation on Draft Procurement Connected Policy Guidelines

Law Firms Australia (**LFA**) appreciates the opportunity to provide a submission on the Draft Procurement Connected Policy Guidelines (**the Guidelines**).

LFA represents Australia's leading multi-jurisdictional law firms, being Allens, Ashurst, Clayton Utz, Corrs Chambers Westgarth, DLA Piper Australia, Herbert Smith Freehills, King & Wood Mallesons, MinterEllison and Norton Rose Fulbright Australia. LFA is also a constituent body of the Law Council of Australia, the peak representative organisation of the Australian legal profession.


LFA supports the Government's commitment to exclude businesses that do not have a satisfactory tax record from Government procurement. However, LFA is keen to ensure that the administrative burden that is imposed on partnerships by the Guidelines is proportionate to that commitment.

Section 10b of the Guidelines states that:

If the tenderer or sub-contractor is a partnership, a satisfactory [statement of tax record] must be requested on behalf of the partnership. A satisfactory [statement of tax record] must be provided in respect of each partner if required according to the tender request documentation.

All LFA member firms are structured as partnerships, and nearly all LFA member firms have well over 100 partners across their Australian offices. LFA is concerned that the Guidelines allow for tender requests to mandate that each partner must provide a satisfactory statement of tax record (**STR**). This is a disproportionate administrative burden for large partnerships, particularly when it is considered that the Guidelines do not provide for the burden to be applied to large incorporated legal practices.

The Guidelines should provide that tender requests cannot require large partnerships, being partnerships with over 20 partners, to provide satisfactory STRs in respect of each partner. LFA is of the view that the requirement for a firm to provide a satisfactory STR on behalf of the partnership is sufficient to meet the Government's commitment to exclude businesses that do not have a satisfactory tax record from Government procurement.



Please do not hesitate to contact me if the points above require clarification or if LFA can provide further information that will be of assistance.

Yours faithfully

Mitch Hillier
Executive Director
Law Firms Australia