



5 FEBRUARY 2024

Allegro co-founder, Adrian Loader, provides opening statement to the Public Accountability and Works Committee of the New South Wales Parliament.

I am Adrian Loader, a Board Director of Scyne Advisory and co-founder of Allegro Funds.

Thank you Chair, and to your committee, for inviting us today. Your first invitation came in the middle of last year and we were unable to attend until we had completed the transaction in November 2023. We thank you for your patience.

I would like to say, upfront, that Scyne Advisory understands, unequivocally, the importance of the public's trust in the Government's use and management of consulting services.

In this light, the breach of this trust by PwC Australia, was damaging and completely unacceptable. The conflict of interest was plain. It has rightly led to higher scrutiny on all external suppliers to governments, and circumspection from clients who use our services. Governments require, and the community deserve, a higher standard.

Allegro Funds is an Australian based private equity fund manager and led the Scyne Advisory buyout transaction. Allegro has been operating since 2008 and specialises in complex buyouts and transforming those companies to create great businesses.

Allegro has a strong track record in helping create and grow businesses which have a clear purpose. Some examples include:

- Discovery Parks; where we transformed the business from a small, distressed caravan park business into Australia's largest regional accommodation business;
- The Ghan and Indian Pacific Railways; where we transformed them into an iconic, 100% focussed experiential tourism business; and
- Slater & Gordon; where we are focussed on helping it become the best social justice law firm in Australia.

In June 2023, following the effective grey banning from federal contracts, PwC decided to sell its public sector facing business and Allegro was approached as a potential purchaser.

PwC were looking to transfer to a new owner a group of professional, capable people, dedicated to supporting government, who's work and reputation were completely undermined by the PwC TPB matter - something in which they played no part.

Allegro engaged with what has become the leadership of Scyne and we collectively agreed the government consulting industry had to adapt to a new paradigm. Scyne Advisory needed to be:

- Independent from PwC
- Solely focussed on the public sector
- With ASX level of governance and adopting a public sector code of conduct standard

We needed to eliminate the inherent conflicts of serving both public and private sectors.

We agreed a vision: to be – *“public sector specialists, focused on helping governments and their agencies build more resilient, secure, equitable and prosperous communities”*. That vision has guided the establishment of Scyne Advisory.

As part of our transaction process, we had the Hon. Andrew Greenwood, a retired Federal Court judge of 17 years standing, conduct a review of governance and probity of the PwC employees who could potentially come over to Scyne.

This comprehensive process ensured that no former PwC partner or staff member implicated in the Tax Practitioners Board matter or any other matters that raised questions of ethical judgement, would join Scyne.

We also embedded contemporary ASX-listed company standards of governance. Scyne is an ASIC-registered company, not a partnership like the other Big 4 operators.

We have established a Board of Directors, with an independent Chair and non-executive directors. Unlike partnership structures, they are not elected by partners or employees, and nor is the CEO.

The independent Chair is John Mullen, who has over 15 years' experience as an ASX listed non-executive director including as Chair of some of Australia's biggest companies. Andrew Greenwood has also joined the Board, and chairs our Probity, Conflicts and Ethics Committee.

In addition to Justice Greenwood's governance and probity review, Scyne has established a strong ethical framework including an employee code of conduct and organisational values, which were agreed with all employees.

In summary, Scyne is set up differently to the Big Four consulting firms.

We believe our model sets a new standard for public sector consulting.

There is significant work to do to re-establish trust, but our conflict-free foundation addresses a fundamental issue.

We welcome the interest of this committee, and your questions.

-ENDS-

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