

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Additional Estimates, 15 February 2006

Question: AT 12

Topic: *Process of appointing Bill Bartlett*

Hansard Page: E103

Senator WONG asked:

What was the process of decision making to appoint this particular consultant?

Ms Wijeyewardene—We went through a tender process. I think it was an open tender process.

Senator WONG—Can you confirm that?

Mr Murphy—Page 155 of the annual report of the FRC for 2004-05 deals with the auditor independence report. I cannot recollect whether there was a tender. The annual report reads: The purpose of the consultancy is to assist the FRC in the performance of the auditor independence functions conferred on the FRC by the CLERP Act. Before retiring as a partner of accounting firm Ernst & Young in June 2003, Mr Bartlett spent 35 years working in the accountancy field, including as auditor of firms in the financial services industry. He is presently a director of a number of Australian public companies and also a company which is listed on the New York Stock Exchange. As to the process of his appointment, we will take that on notice and get back to you.

Senator WONG—Sure. I think Ms Wijeyewardene was saying she thought it was by tender.

Ms Wijeyewardene—Yes. It was either an open tender—

Senator WONG—Please let me know about that.

Mr Murphy—Yes.

Answer:

Expressions of interest were publicly sought for the auditor independent consultancy in July 2004. As the initial applicants did not meet the selection criteria, a further selection round was undertaken in September 2004, based on direct approaches to candidates as identified by the FRC Audit Independence Subcommittee, with assistance from the professional accounting bodies and firms. Following evaluation, the appointment of Mr Bartlett was agreed to by the FRC at its meeting on 6 December 2004 and the corresponding contract was executed by the Treasury on 21 December 2004.