

CASA



Australian Government
Civil Aviation Safety Authority

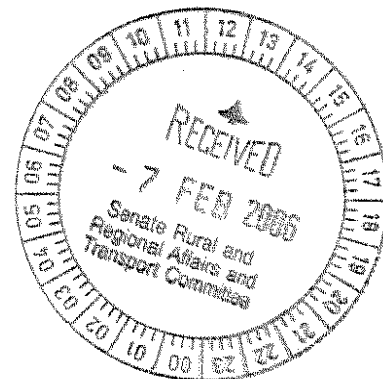
OFFICE OF THE CHIEF EXECUTIVE OFFICER

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3 February 2005

The Secretary
 Senate Rural and Regional Affairs and Transport Committee
 Parliament House
 CANBERRA ACT 2600

Dear Sir



**Response to Matter Raised at Committee's October 2005 Hearings – CASA
 Tendering Procedures**

One of the matters raised at the Committee's hearings on 31 October 2005 related to procurement processes followed by CASA's Change Implementation Team, against the background that the person at the time heading the CIT had been an employee of Acumen Alliance, one of the organisations that was subsequently a successful tenderer.

I advised the Committee at that time that although I had clear advice that CASA's procurement processes were properly followed, and that the Acumen Alliance employee had been appropriately isolated from the tender process, to give myself additional assurance I had commissioned Ms Barbara Yeoh, the independent chair of the CASA Audit and Risk Committee, to undertake a review of the procedures that had been followed. I undertook to advise the Committee of the outcome of that review.

Ms Yeoh has provided a comprehensive report on her review of CASA's market testing procurement procedures, and in particular on the potential for conflict of interest. Ms Yeoh concluded:

- "The market testing tender arrangements that were used were in conformity with the requirements of the (CASA) Procurement Manual".

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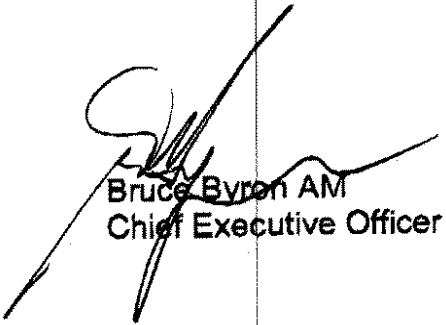
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- o "(The Acumen Alliance employee's) conflict of interest was appropriately recognised and dealt with in the procurement process, in conformity with CASA protocols".

Yours sincerely



Bruce Byron AM
Chief Executive Officer