



LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

STANDING COMMITTEE ON PUBLIC ACCOUNTS

(Reference: Annual and financial reports 2003-2004)

Members:

MR R MULCAHY (The Chair)
DR D FOSKEY (The Deputy Chair)
MS K MACDONALD

CANBERRA

WEDNESDAY 23 MARCH 2005

Secretary to the committee:
Ms S Mikac (Ph: 6205 0136)

By authority of the Legislative Assembly for the Australian Capital Territory

Submissions, answers to questions on notice and other documents relevant to this inquiry which have been authorised for publication by the committee may be obtained from the committee office of the Legislative Assembly (Ph: 6205 0127).

The committee met at 2.04 pm

MS TU PHAM,

MR ROD NICHOLAS and

MR MALCOLM PRENTICE

were called.

THE CHAIR: Welcome to this public hearing. I am sorry for the delay in starting. I just need to put a few official remarks on to the record and to inform witnesses today that, for those who give verbal evidence to the committee today, a copy of the transcript will be emailed to you as soon as it is available for correction and also so that you can identify questions that are taken on notice. Please return responses to questions on notice to the committee secretary within five working days of receiving the transcript of proceedings.

To assist in the preparation of the transcript, witnesses need to state their full name and the capacity in which they are appearing on the first occasion that they give evidence. Prior to the giving of evidence, I would like to inform each witness that you should understand that these proceedings are legal proceedings of the Legislative Assembly, protected by parliamentary privilege. That gives you certain protections, but also certain responsibilities. It means that you are protected from certain legal action, such as being sued for defamation, for what you say at this public hearing. It also means that you have a responsibility to tell the committee the truth. Giving false or misleading evidence will be treated by the Assembly as a serious matter.

Ms Tu Pham, I welcome you and your colleagues to the hearing. Would you care to make an opening statement on the annual report of the Auditor-General's office?

Ms Pham: No, thank you.

THE CHAIR: Are you happy to proceed with questions? Ms MacDonald, do you have some questions you would like to start with for the Auditor-General's office?

MS MacDONALD: No, Mr Chair. You can go first.

THE CHAIR: No questions? I will raise a couple of issues. First of all, Ms Pham, I want to place formally on the record our congratulations on your appointment as Auditor-General.

MS MacDONALD: That was ages ago.

THE CHAIR: Yes, but I do not think there has been a hearing of this committee since your appointment, has there? Obviously we look forward to your ongoing and effective performance in the area of audit. Could I draw your attention to pages 1 and 10? It is a matter of some concern to me, and I suspect to other committee members, to read that you have "lost many staff during the year including most performance audit staff". Ms Pham, could you explain the committee the reasons for the loss of staff?

Ms Pham: I think the issue of high staff turnover is always a problem with a small office like the ACT audit office. The salaries currently offered to our staff are not very competitive. Performance auditors, in particular, and also financial auditors with a number of years of experience behind them are being offered better salaries by bigger firms and even by government agencies. So a number of staff have left for better salary offers somewhere else.

Some other staff left for personal reasons. They had to move to Queensland or Sydney. Some are looking for opportunities to work in the private sector. So it is a result of a combination of many factors. We identify that as a key challenge for the office to address. In the last 10 months or so we have put in place a number of strategies to improve the retention of staff by providing better training opportunities and even trying to get better accommodation. Our environment was not as good as some other places. We also have tried to review our salary structure to provide better opportunities for advancement within the office. So we have made a number of major changes and hopefully that will retain our staff for this year and the years to come. However, the demand for skilled accountants and auditors is very strong and we are forever losing good staff because they get better offers somewhere else.

THE CHAIR: In terms of where they go, without asking for a statistical analysis of losses of staff, are you finding that they are typically going to commonwealth agencies, private accounting firms or other ACT agencies? Is there one area to which you seem to be losing most of your people? That is the first part of the question. Then, typically, can you give me, maybe anecdotally, examples of what the pay differentials might be, if you know them, that are attracting your staff away? What sorts of circumstances are appealing to them to go and work elsewhere?

Ms Pham: In the last five months, for example, four staff left the office. Two of them now work for another private accounting firm, Walter Turnbull. Two of them went to government departments.

THE CHAIR: Federal or territory?

Ms Pham: ACT government departments. I think one of them went to Sydney or to Queensland for personal reasons.

THE CHAIR: Okay. Without wanting names or firms or anything, can you generally indicate the sorts of pay increases they probably would be getting by leaving your office? Is there an indication of that?

Ms Pham: Typically, our senior auditors are offered about \$10,000 more than we currently offer them in their positions. Some of our graduates join our office under the graduate program. It is about \$35,000 per year in terms of salary. Normally, after one year, they then can move to ASO5 equivalent salary. So they actually move up from \$35,000 to \$45,000. But some departments are prepared to offer up to ASO6 equivalent, so it is another \$10,000 on top of it. So we believe that our staff, with their experience in financial accounting and auditing, always get better offers.

Interestingly, we did a comprehensive staff survey in the last few months to identify reasons for staff leaving. Over 80 per cent are satisfied overall with their jobs in the

office. That is a very positive outcome, a staff satisfaction rate of 80 per cent. However, more than 50 per cent of them are thinking of leaving within the next 12 months to two years. Over 50 per cent of them are thinking of leaving, and the main reason for leaving is money and, secondly, immediate opportunity in bigger firms with more challenges in a different environment. Basically we can help with some salary restructuring, but bigger offices always provide better challenges and better opportunities for advancement.

MS MacDONALD: The staff turnover, though, is no more dramatic than in previous years, is it?

Ms Pham: As I say, one of our goals this year is to put in place a number of ways to stop that level of staff turnover. The level of staff turnover in the office is about 20 per cent in recent years, and that is very high. All other audit offices across Australia experience the same type of staff turnover. They normally are bigger offices and they have the capacity and flexibility to cope and manage. If they have 100 staff, they have that capacity. If we lose five of 20 staff, it is very hard to cope, especially when resources are fully committed to a range of tasks. So it is an ongoing problem and the market is really crazy out there in terms of offers for senior auditors. Any auditor with a few years experience will get very good offers.

We identified this problem some months ago and it is an ongoing problem. We have requested all major recruitment firms to refer accountants with experience to us and for the last three or four months, basically many recruitment firms have come back and said there were no applicants available at the level of salary that we offer with the level of experience that we require. It is a problem across the whole country.

THE CHAIR: How do you propose to overcome the problem, then? It sounds as though you are going to be constantly raided for personnel by the private sector, other ACT agencies and the commonwealth. Is there an answer to this that you can see? Does it involve reclassification? I know, for example, second-year graduates in finance are earning nearly \$60,000 a year. From what you have said, your people would be on about \$15,000 less. I can understand how that would make it attractive for people. Is there any solution you can advance that might help stabilise employment?

Ms Pham: We have done a number of things in the last few months or so. Firstly, we developed and implemented a comprehensive training program to offer staff opportunities to learn new skills, such as financial audits and performance audits. In the past one of the things that we did not do well is that we did not offer sufficient training and learning opportunities for staff, and that is why they moved on. Other departments or organisations offered better training and learning opportunities. So we did that. We reviewed our salary structure to provide more opportunities for staff to advance within the office.

THE CHAIR: Did you say you will do that or you have done it?

Ms Pham: We have done that. We renegotiated salaries for a number of staff in recent months. We also offer a flexible work environment and hopefully that will be a positive thing. We take people on for five months a year. We employ retired accountants who may not want to work full time any more but are prepared to work for six months of the year and have the other six months to go overseas or travel or do other things. We have

been quite successful with that and we got a few experienced retired accountants to come and work with us for a few months during the peak period of the year.

We also promote a family-friendly work environment, where people can start early and leave early to fit in with their family environment. We have staff working in our office at five or six o'clock in the morning, and going home at three. We do that to provide an opportunity for people to stay. We hope that by doing these things and also by improving the working environment with better accommodation and better conditions we will do better than we have done in recent years.

THE CHAIR: We do not want to tie up the entire hearing with this, but it is pivotal. My final question is: are these measures you are talking of having any effect? Have you seen any reduction in departures or do you think more radical initiatives are needed?

Ms Pham: I think so. This financial year we were able to reduce the staff turnover rate to maybe 10 to 15 per cent, compared with 20 per cent in the past.

THE CHAIR: That is good. Congratulations. Dr Foskey, do you have any questions at this point?

DR FOSKEY: Thank you. I am sorry I was late, but this is a topic I did want to talk about. I was wondering: does it take a special sort of person to work in the Auditor-General's office? I am talking here about the public interest. It is not like being an accountant for a private company.

Ms Pham: I think that is how we try to market the office, that it is a very privileged position to be in, working for the ACT audit office. You have an opportunity to make a difference. If you care about public administration, about efficiency, about doing good things for the public service, then this is the office that you should be in. In terms of financial auditing work, you have a certain routine of tasks to do, so it can be very routine and tedious, in a sense. We try to encourage people to learn new skills so that not only are they doing financial audits, but also they can move on to performance audits, where the work is more interesting and where you can see your work influencing the work of departments.

This year we also participated in a career day for university students. We did a session there, with a lot of people attending the audit office stall, and we got a number of inquiries from graduates. So we do a lot of things to promote our office. In the past a lot of people did not know about the ACT audit office or what we are doing.

THE CHAIR: On page 1 of the report you have made the comment that "the Office plans to work more closely with the ACT Legislative Assembly and its committees (especially the Public Accounts Committee) and government agencies to better target its resources and focus on areas of significance". What changes do you have in mind to target resources and what do you see as the areas of significance that you are alluding to there?

Ms Pham: We will try to look at our work in a more strategic way by planning well ahead. In looking at our two to three-year performance audit program, we have the opportunity to consult with agencies, Assembly committees and Assembly members to

see whether or not they have any further input to our program. We have closer and more regular contact now with various departments by participating in their internal audit committees. We are aware of ongoing issues within the agencies and significant risks that departments are exposed to in terms of government spending.

Judging from debate in the Assembly, as well as from community interest expressed in newspapers and other media, significant areas for our audit teams include health, education and law and order, and we are concerned that, with our current performance audit capacity, we will not be able to have a bigger, enhanced program. The most we can do with our current performance audit capacity is to look at perhaps three significant audit reports and another maybe four less significant—

THE CHAIR: What would you call areas of significance, though? What might you say typically are the main areas?

Ms Pham: At this stage significant areas include public housing, IT expenses, financial management, including government tax collection, debt collection, education and training and vocational training. There are a number of areas of significant spending, but we have not had the opportunity to look into them to see if the money has been spent efficiently.

THE CHAIR: Ms MacDonald, do you have further questions at this point

MS MacDONALD: No.

THE CHAIR: Dr Foskey?

DR FOSKEY: Yes. I am interested in your human resources performance. It looks very much as though, in terms of decision making, you have a lot of collaborative ways of working with the staff. I wonder if you could expand on that. I am looking for the exact reference.

Ms Pham: We have a small office, so it provides a good opportunity for good communication with staff. In a small office it is important that information and experience are shared between audit teams and that we can coordinate our efforts to do our job better. We have regular staff meetings. We have a strong communications system in place where staff can approach any supervisor, auditor, manager or director up to any level to discuss any audit issue that they find during the audit of a department. Certainly they have a tough job in many situations because audit staff are not always welcome in some departments.

MS MacDONALD: I cannot understand why!

Ms Pham: In some cases the facilities provided to our staff are not conducive to doing an efficient audit job. Sometimes, when we do field work with an audit team of three people, the department may not be able to provide accommodation for three people in one location. We may have one person on each floor, so communication between the audit team will be affected. Certainly, many departments try to accommodate us. Sometimes they can, sometimes they cannot and sometimes they do not bother—why make things easy for the audit team?

THE CHAIR: That is not really satisfactory. Have you taken this up with the relevant departmental heads, that you expect better than that?

Ms Pham: That is why I need to know from my audit teams what types of issues they encounter at the department level, so that they can come back and talk to us and we can handle it better at a higher level. Yes, when these things happen, we do try to talk to departments. Sometimes smaller offices do not have spare capacity or spare desks for auditors to be there. If a desk is available in a corner somewhere, that is where the audit is done.

THE CHAIR: In most organisations I have been involved with, auditors have had a conference room or something allocated. Not too many organisations would not have some kind of a meeting room. I certainly hope you will make it known to departments that have not accommodated you, as opposed to those who might have incapacity to accommodate you.

DR FOSKEY: How long, on average, would the auditors need to be accommodated with a department?

Ms Pham: For financial audits, our auditors would be at the site working through financial files for long periods of time, a few months at a time.

DR FOSKEY: A few months?

Ms Pham: Yes.

DR FOSKEY: That can be very isolating, actually.

Ms Pham: Exactly. Starting from, say, March of any year to July, August, September, most of our staff would be on site for financial audits working through papers and documents with agencies. That is why sometimes we need to have regular meetings, to bring staff back to the office and share information or news. Otherwise you may not see them for three months of the year.

DR FOSKEY: Very difficult.

Ms Pham: Very difficult.

THE CHAIR: Would you have all of your staff back for periodic meetings?

Ms Pham: Yes, definitely. The intention is to bring them back, so that they still feel that they belong to the office and have support from the office.

THE CHAIR: Sure. Team spirit.

DR FOSKEY: Just one more question on staff. Under learning and development on page 26, the report states: "The Office met the course fees for 3 staff to undertake their post graduate studies in the MBA program and in Commerce and Accounting qualifications, and supported two staff in participating in the CPA and CA programs." It

seems to me that that is very generous. It is a little bit of a gamble. Are you assisting people to be better qualified to seek work elsewhere, or is there some kind of indenture or whatever involved? I just wondered how this has worked for you and whether those people are still with you

Ms Pham: I think there is a credibility issue in terms of the ability and capacity to audit agencies, so we want to be sure that our auditors have the right formal training and the right experience and qualifications behind them before they go out and audit agencies' books. There is always a risk, yes, that if you provide training and make your staff better, they will get a better offer somewhere else. But we are hopeful that they will stay long enough for us to get back some of the investment that we put into them. We have a requirement that, to reach a certain level as a senior auditor or manager, you have to be a qualified CPA. Hence there is a need for the office to support them to get that qualification to allow them to move to the next level.

That is something we are reviewing currently because it may be too tough for staff to move to the next level without additional professional qualifications. So we may have to relax the rule a little bit. Otherwise people will move. Other offices do not have that additional requirement to move to the next level. We are keen to maintain that level of professional standard so that people have confidence that the staff of the office are qualified and well trained to do the job.

THE CHAIR: You have to stay abreast of accounting standards and tax law, tax treatments, so continuing education, I guess, is a protection for the agency, rather than just a benefit that has been conferred. It is obviously a benefit to an employee, but I imagine that you almost need to ensure that happens, so that your people are across whatever the accounting standards are.

Ms Pham: You are right.

THE CHAIR: They seem to be constantly evolving and changing. Any more on that staff issue? Dr Foskey?

DR FOSKEY: No.

THE CHAIR: I have a couple of other questions and that will see me through on this. On page 2 you note: "The Office also will continue to face a tight financial situation." I know that is a popular cry from government agencies, but I am advised that you have set a pretty good example by keeping costs contained without diminishing effectiveness. Are you satisfied—and we will come to the budget later today—that your revised budget will allow you to meet the requirements of the Assembly and the ACT community in a fully professional way?

Ms Pham: We are a small audit office. If we had, say, nine performance auditors led by a director, ideally we could have three performance audit teams. Three teams means that we can have a wider range of audit topics and deliver a larger number of reports to the committee. At this stage, we have only six positions—we have seven, but one is on leave in Queensland for most of the year, so we do have six—and five ongoing performance audits. We also have a number of public interest disclosures referred to us.

We have some six requests from six members of the Assembly for various investigations. We have no capacity whatsoever to undertake investigations referred to us by various members of the Assembly without stopping ongoing performance audits and taking staff away to do other work. Our seven staff at the moment are fully committed to audit work. It is hard because we do not have a normal audit team of three to go on a significant audit.

Courts Administration is a significant one. Currently we have only one person working on it. The ACT Planning Authority is a very significant one. We have two working on it, instead of a normal team of three. We have only one or two auditors working on a performance audit that normally requires a team of three. When additional investigations are referred to us by various Assembly members, we do not know how to respond without—

THE CHAIR: We will come to the budget in the next hearing. Hopefully, we will be able to address that.

DR FOSKEY: Could I seek clarification, Ms Pham? You cannot do an audit referred to you by an Assembly member. Surely it would have to be referred to the Assembly as a whole?

MS MacDONALD: The Assembly can make suggestions, but it cannot—

DR FOSKEY: But an Assembly member cannot—

THE CHAIR: No. You can make suggestions, but you cannot—

DR FOSKEY: When you say that, you mean the Assembly decides as a whole, or the government in this case—

THE CHAIR: I understand a member can ask, subject to government—

Ms Pham: For example, we currently have requests from Mrs Vicki Dunne, Mrs Jacqui Burke, Mr Quinlan, Mr Brendan Smyth and Mr Stefaniak. We have had five or six Assembly members refer issues to us.

MS MacDONALD: But you actually make the ultimate decision as to whether or not you pursue them?

Ms Pham: Exactly.

MS MacDONALD: An individual member of the Assembly can ask you to look at something, but you actually evaluate yourself whether it should be pursued or not.

THE CHAIR: To answer Dr Foskey's point, it does not require a resolution of the Assembly for a matter to be referred to Ms Pham's office. She has the decision as to whether it is a priority issue for her to allocate resources. Am I correct in that?

Ms Pham: We certainly would like to be in the position to respond to requests by Assembly members and to decide on the merits of the issue. At the moment, even if we

believe the referral may need to be looked at in more detail, we do not have the resources to do it without affecting the current performance program.

THE CHAIR: That is understood.

DR FOSKEY: So that I can completely understand this, because this is news to me, when you do get a request like that, what are the criteria for deciding whether, and how, to proceed? Is there a transparency about that, so that we, the rest of us, know what smorgasbord you have in front of you and the criteria by which you prioritise them, and so on?

Ms Pham: Most of the referrals are already public information. For example, Mr Brendan Smyth referred the issue of the employment of special adviser Mr Rob Tonkin. That is a public issue. Mrs Jacqui Burke referred a public interest disclosure matter to us. That is also a public issue. Mrs Vicki Dunne referred a matter about cleaning contracts to us. Most of the issues that are referred to us are common public knowledge issues.

Some issues are not subject to public information. They may fall within the whistleblowers act and contain confidential information. People who bring issues to our attention under the whistleblowers act may not wish to be known publicly. So we treat these issues confidentially and observe the confidentiality attached to the Public Interest Disclosure Act. We currently have four public interest disclosure matters referred to us, but we may not be able to tell you from whom or what area.

THE CHAIR: I think Dr Foskey was asking you for criteria for determining which ones you might choose to pursue. Is it the magnitude of it? We know you have limited resources. We have understood that. But, given that you will pursue some of them, what would be your thinking? Is there a set of criteria that you would apply, or is it a bit broader than that?

Ms Pham: Usually, for any referral to us, we will take a preliminary look at it and decide whether to go ahead with it or not. The issue gets some preliminary consideration. By preliminary consideration, I mean that we would request relevant background information from the relevant department. We would have a quick look at the information available to us and make a judgement as to whether or not it is a significant area of expenditure. Wasting of taxpayers' money, incidents of serious fraud or mismanagement of public funds are issues of significant interest to the community and the Assembly.

If it is an issue where our audit findings can actually make a difference or can be of value to anyone or if the value added component of our work can be applied to other departments, we look at our current resources to see if we have available capacity—if we do this, what else will we have to delay? So they are the types of assessments we make internally. Then we will advise the Assembly member that it is an issue that we will be able to follow up or that we will not be able to follow up now, but that we will do it later. We might say that we will not be able to have a special audit of that issue, but that we will incorporate it into a broader one. So there are a number of ways that we approach these requests. We advise the Assembly member of our decisions.

THE CHAIR: Just to correct the record, when Dr Foskey was talking about members raising matters, I said that it needed the approval of the government to proceed with an inquiry. I should have said the Auditor-General.

Just on that issue of investigations, but broader than that, if fraud is identified in a government department or agency, not by your audit team but it is identified in between, is there an onus on that agency to notify you at some point? If so, at what point would they be required to notify your office?

Ms Pham: As part of the annual financial audit, we ask each agency head to sign a representation letter to identify that they are not aware of any fraudulent activity or if so they are to bring it to our attention.

THE CHAIR: Okay.

Ms Pham: But it is only an annual process.

THE CHAIR: My last question relates to your new offices. When do you plan to move to new premises? Can you give me an indication of how this will impact on your staff retention issue?

Mr Nicholas: The current plan for the relocation to Moore Street has us moving at the end of April. That is a bit dependent upon factors other than us at the moment, getting the builders and so on to actually build the place. Whether it has an impact on staff retention, I guess we will see in a while. As Ms Pham has mentioned, the environment in the audit office has not been particularly satisfactory for a while, and that has certainly been brought to our attention from time to time by our staff. We expect that our new premises will provide staff with a better place to live, if you like, a better place to work. We are very hopeful that it will be viewed favourably by our staff and that they will stay with us for a little bit longer for that reason. It is more up to them, I guess. We are doing the best we can.

THE CHAIR: Excellent. I hope your premises are a bit more comfortable. Ms MacDonald, do you have any more questions on the annual report? Dr Foskey, do you have any further questions on the annual report?

DR FOSKEY: Yes. A lot of it is clarification for me. On page 29 you list certain documents available for inspection and report on the operation of the Freedom of Information Act. When you say that you received applications, are they from members of the Assembly? Can citizens make requests to you separately?

THE CHAIR: Yes.

DR FOSKEY: What is the process?

Ms Pham: Yes. Anyone can apply for freedom of information material. You are talking about the Freedom of Information Act?

DR FOSKEY: Yes, page 20 of the report.

Ms Pham: Our office is not exempt under the Freedom of Information Act. Most of the information that is available from our office is obtained as part of an audit function and therefore is not allowed to be disclosed under the Auditor-General Act. Unless the freedom of information request is about the administrative side of the office, we are not able to comply with a request.

DR FOSKEY: Because it is about somebody else?

Ms Pham: That is right.

DR FOSKEY: Because the information they are requesting is not actually about your office? It is information you have obtained about some other information?

THE CHAIR: Because it is information obtained during the performance of a function of the Auditor-General and the confidentiality provisions, if you like, in the Auditor-General Act prevent the further provision of that information.

DR FOSKEY: Just finally, on page 31 you say that the office expects to be in compliance with the Territory Records Act in the first half of 2004-05. I guess it is the second half of last year. Has that occurred?

Mr Nicholas: At this stage, no, it has not. I guess the resourcing issues of our office have slowed down our progress on that particular matter. We picked that up again very recently and we expect to be in contact with the Territory Records Office in the next month or so to provide them with our structure and our framework for our records management program.

THE CHAIR: Ms MacDonald, do you have a question?

MS MacDONALD: Yes. It should not be a very long one. On page 15 you have a table dealing with external sources of labour and services. I have to say at the outset that I appreciate that you are a very small office and obviously you cannot fulfil all functions. For example, you got somebody else in to negotiate the certified agreement. You are auditors; you are not industrial relations experts. I understand that. How often would you review the contracts that you have? You have a substantial number of contracts, one going back as far as April 1999, although a small one. How often would you review them, especially as you have paid, in the time that we are talking about, over half a million dollars? It is over half a million dollars, isn't it? There are no zeros added on the end of it.

I am curious to know how often you would look at that and what criteria you use to actually review the contracts that you have. Also, I should imagine that these are the people who are often poaching your staff as well when they are actually working together to provide the financial and performance audits. Obviously that is a risk that you have to take and, being such a small office, it does make a difference.

Ms Pham: Most of the contracts that we sign with big firms to help us with the financial audits are for three years. At the end of the three-year contract, indeed during our annual workforce and resource planning, we ask the question whether or not certain activity by contractors can be brought in house, and would it be better for us to have in-house staff

to carry out the work. It is always more expensive to use consultants from big firms. However, in some cases we do not have the expertise that bigger firms have to audit complex commercial activity, for example, ActewAGL or Totalcare.

Some of the financial audits that we conduct require very specialised expertise in commercial dealings. There is a need for us to deal with outside contractors for these jobs. We review this very much on an annual basis to see if we can bring some activity in house, but in recent years the problem has been that we have not been able to retain sufficient staff or attract new staff to be able to take more work in house. That is the challenge that we have to look at every year.

THE CHAIR: Are these firms, by coincidence, the ones that are mainly poaching your staff, or not? Amongst these firms, the contracts, are they the ones who have been tending to recruit your auditors?

Ms Pham: Not really. Outside firms, actually.

THE CHAIR: Okay. So they are behaving? All right.

MS MacDONALD: Mr Prentice, were you going to add to that?

Mr Prentice: Could I just say that the financial audit contracts are all subject to a public tender process. Our normal period is to let the contract for a three-year period. That way we try to get the best price we possibly can for our financial audit contracts. In relation to the one you pointed out from 1999, it is a land joint venture audit and that contract will cease once the land joint venture finishes, which is at the end of this financial year.

MS MacDONALD: I did have another question when you were talking. I am trying to remember what it was. I am sorry.

THE CHAIR: Do you have anything else, Dr Foskey?

DR FOSKEY: No.

THE CHAIR: Can you now recall?

MS MacDONALD: No. Don't worry about it.

THE CHAIR: I would like to thank you and commend you on your presentation and assistance to the work of the committee. We will now formally close the public hearing and in a moment resume on another matter. So I declare the hearing closed.

The committee adjourned at 2.54 pm.