

**SENATE EMPLOYMENT, WORKPLACE RELATIONS AND EDUCATION
LEGISLATION COMMITTEE**

**2005-2006 BUDGET SENATE ESTIMATES HEARING
30, 31 MAY and 3 JUNE 2005**

EMPLOYMENT AND WORKPLACE RELATIONS PORTFOLIO

QUESTIONS ON NOTICE

Indigenous Business Australia

Question Number: W364-06

Question:

Senator Johnston asked at *Hansard* page 123:

Can the IBA advise if the accounting firm mentioned is the firm of the administrator as appointed?

Answer:

The short answer to this question is no.

The original due diligence assessment of the Presspower proposal was undertaken by the Government of WA Commerce and Trade, Office of Aboriginal Economic Development, with a recommendation on 5 May 1998.

In addition, on 6 July 1998 Deloitte Touche Tohmatsu (DTT) was asked by ATSIC to undertake a desktop review of the ATSIC files and assessment process in developing the recommendation to the delegate. This was not a full assessment or due diligence review of the proposal. Based on the information and assessment process undertaken by ATSIC, DTT concluded that they agreed with the recommendation to the delegate that the application be declined.

On 25 March 1999 DTT provided a post settlement audit of Presspower, which concluded that the business would not be viable under the control of the current management and that the only realistic way of dealing with the business problems was with the appointment of a Receiver.

On 14 April 1999, after its directors had placed Presspower into voluntary administration on or about 13 April 1999, and after receiving advice from ATSIC's business agent, ATSIC appointed David Coates of DTT as its Receiver and Manager.

On 21 May 1999 the Receiver/Manager closed the operations of Presspower due to continuing operating losses.

