

GPO Box 9887 Melbourne VIC 3001 | 414 LaTrobe Street Melbourne VIC 3000 P: (03) 9954 2611 F: (02) 6276 9849 E: natalie.james@fwo.gov.au

Mr Nigel Hadgkiss Director Fair Work Building and Construction GPO Box 9927 MELBOURNE VIC 3001

Dear Mr Hadgkiss

As discussed during our meeting on 5 February 2014, I am writing about the future arrangements for the Fair Work Ombudsman (FWO) and Fair Work Building and Construction (FWBC) Audit Committee.

You intend to establish a separate Fair Work Building and Construction Audit Committee in 2014.

I am also keen to review the way in which a FWO Audit Committee can facilitate good governance within the agency. I also note that the Department of Finance has released draft rules for Audit Committees in the Commonwealth for public comment. I understand FWO's Chief Financial Officer has spoken to his counterpart in your agency about this.

In light of these developments, the FWO's Executive Committee met on 30 January 2014 and considered future arrangements for our audit committee. To ensure we are compliant with our obligations, we decided to establish a separate audit committee. Given we are awaiting the finalisation of new rules, we decided to effectively roll over the membership of the committee, apart from the FWBC membership. However, like you, I am of the view that we should be considering different arrangements into the future. I'd be keen to hear what you decide for your agency's arrangements.

Please feel free to contact Naomi Bleeser on 02 6229 9706 if you would like to discuss this in further detail.

Yours sincerely

Natalie James 7 February 2014

ABN: 43 884 188 232