Saatchi misses contract

By FRANK ALCORTA

The giant advertising firm Saatchi and Saatchi will not win the lucrative $10 million NT Tourist Commission contract.

While the identity of the new advertising agency has not been released yet, the Northern Territory News has learnt the Tender Board has decided to reject Saatchi and Saatchi's bid.

The blow will not be sweetened by an audit released yesterday clearing Saatchi and Saatchi of any excess charging and any fraudulent activity in the contractual arrangements between the agency and the commission.

The audit by Ernst and Young to the Interim Chairman of the commission, Mr Jeff Weigh, said in part: "...we found no substantial evidence to suggest that Saatchi and Saatchi had been charging NTTC amounts for the provision of advertising services materially in excess of fees detailed within the terms of business between Saatchi and Saatchi and the NTTC."

But the letter from Ernst and Young to Mr Weigh said that some of the procedures undertaken by Saatchi and Saatchi were "sloppy".

"...it is possible that tighter controls over job cost estimates may have resulted in a certain degree of cost savings to the NTTC.

"It was also noted that the general invoicing procedures adopted by Saatchi and Saatchi were rather sloppy in that in some instances estimated costs were presented in a general manner ..."

The Tourism Minister, Mr Roger Vale, said he was pleased to receive the report and thanked Ernst and Young for completing it quickly.

But he said he would not release the pertinent documents "as it is commercially in confidence".

Mr Weigh refused to reveal details of the new advertising agency yesterday but said several "exciting" initiatives would be unveiled soon, including the appointment of a new chief executive officer to the NTTC.