

Senate Standing Committee on Environment and Communications

Answers to Senate Estimates Questions on Notice

Additional Estimates Hearings February 2014

Communications Portfolio

NBN Co Limited

Question No: 127

Program No. NBN Co Limited

Hansard Ref: In Writing

Topic: Boards (for Departments or agencies with Boards)

Senator Ludwig asked:

Since September 7th 2013:

1. how often has each Board met, break down by Board name;
2. what travel expenses are provided;
3. what is the average attendance at Board meetings;
4. how does the Board deal with conflict of interest;
5. what conflicts of interest have been registered;
6. what remuneration is provided to Board members;
7. how does the Board dismiss Board members who do not meet attendance standards?
8. Have any requests been made to ministers to dismiss Board members since 7 September 2013?
9. Please list Board members who have attended less than 51% of meetings
10. What have catering costs been for the Board meetings held this year; is alcohol served?

Answers:

1. The Board of NBN Co Limited held five scheduled Board meetings between 7 September 2013 and 31 December 2013 and three scheduled Board meetings between 1 January 2014 and 27 March 2014. There were no unscheduled meetings held during either period.
The Board of NBN Tasmania Limited (a wholly owned subsidiary of NBN Co Limited) held three scheduled Board meetings between 7 September 2013 and 31 December 2013 and one scheduled Board meeting between 1 January 2014 and 27 March 2014. There were no unscheduled meetings held during either period.
The Board of NBN Co Spectrum Pty. Ltd. (a wholly owned subsidiary of NBN Co Limited) held no meetings between 7 September 2013 and 27 March 2014.
2. Directors of NBN Co Limited are paid a *per diem* payment which varies depending upon the city in which the Board meeting is being held. The *per diem* is the amount prescribed by the Remuneration Tribunal determination 2013-16 Determination: Official Travel by Office Holders (current consolidation as at 26 September 2013). In addition, air travel is either booked through NBN Co's appointed travel service provider or reimbursed to a Director who may book their own air travel. The level of travel is also in accordance with the Remuneration Tribunal determination 2013-16 Determination: Official Travel by Office Holders (current consolidation as at 26 September 2013). Directors of NBN Tasmania Limited and NBN Co Spectrum Pty. Ltd. are entitled to be reimbursed for reasonable expenses incurred in attending a meeting of the Board.
3. With the exception of one Director of the NBN Co Limited Board who was unable to attend one Board meeting and another (different) Director who was unable to attend part of one Board meeting, all Directors have attended all scheduled Board meetings held since 7 September 2013.

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With the exception of one Director of the NBN Tasmania Limited Board who was unable to attend one Board meeting and one other (different) Director who was unable to attend one other (different) Board meeting, all Directors have attended all scheduled Board meetings held since 7 September 2013.

There are no meeting attendances to report on in relation to NBN Co Spectrum Pty. Ltd.

- Conflicts of interest for Directors of NBN Co Limited, NBN Tasmania Limited and NBN Co Spectrum Pty. Ltd are notified to the Company Secretary as and when an actual or potential conflict of interest arises through the course of any year. Further, Directors are expected to declare an actual or potential conflict of interest at the commencement of a Board meeting if that timing is appropriate for the conflict to be declared. A Director is excluded from participating in the consideration of a matter or making a decision in relation to a matter before the Board where there is an actual or potential conflict.

Further, the Constitution and/or Charter of each company contain a specific section dealing with the obligations imposed on a Director in the case of a Conflict of interest/Disclosure of Material Personal Interests.

- All Directors of NBN Co Limited, NBN Tasmania Limited and NBN Co Spectrum Pty. Ltd. complete an annual declaration of private interests.
- Directors of NBN Co Limited are remunerated in accordance with the Remuneration Tribunal Determination 2014-03 Principal Determination - Remuneration and Allowances for Holders of Part-Time Public Office.

Directors of NBN Tasmania Limited are remunerated in accordance with remuneration set by the Board of NBN Co Limited in accordance with Section 44 of the NBN Tasmania Limited Constitution which states "While the Company is a wholly owned subsidiary of NBN Co, the Director's remuneration shall be set by a resolution of the Directors of NBN Co."

A Director of NBN Co Spectrum Pty. Ltd. is an executive of NBN Co Limited and as such is not separately remunerated for their appointment as a Director of this entity.

- In relation to NBN Co Limited:

Section 5.1 (b) of the Board Charter of NBN Co Limited states: Directors must use all reasonable endeavours to attend Board meetings in person either by physical attendance or use of teleconferencing facilities.

Section 5.4.2 of the Constitution of NBN Co Limited states appointments to the Board are made by the Commonwealth.

Section 5.4.4 enables the Commonwealth to remove a Director.

Section 2.15 (a) of the GBE Guidelines (October 2011) states that Shareholder Ministers may, at their discretion, remove directors at any time prior to the complete of their term of appointment.

Based on the above, dismissal of a Director who does not meet attendance requirements should be dealt with by the Board in consultation with NBN Co's Shareholder Ministers and the Commonwealth.

As wholly owned subsidiaries of NBN Co Limited, the Constitutions of NBN Co Spectrum Pty. Ltd. and NBN Tasmania Limited each contain a specific clause empowering NBN Co Limited to appoint and remove Directors.

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8. The Board of NBN Co Limited has not made a request to Ministers for the dismissal of a Director of the Board since 7 September 2013. Refer to item 7 above in relation to the appointment and removal of Directors to the NBN Tasmania Limited and NBN Co Spectrum Pty. Ltd. Boards.
9. This is not applicable in respect of either NBN Co Limited, NBN Tasmania Limited or NBN Co Spectrum Pty. Ltd.
10. Alcohol is not offered at any NBN Co Limited, NBN Tasmania Limited or NBN Co Spectrum Pty. Ltd. Board meeting.
The total catering costs for the NBN Co Limited Board meetings held since 7 September 2013 is \$ \$3156.
The total catering costs for the NBN Tasmania Limited Board meetings held since 7 September 2013 is \$583.
The total catering costs for NBN Co Spectrum Pty. Ltd. since 7 September 2013 is \$0.00.