

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Additional Estimates

26 February 2014

Question: AET 3425

Topic: Boards (CALDB)

Written: 5 March 2014

Senator LUDWIG asked:

3425. For Departments and Agencies with Boards, Since September 7th 2013;
- a. how often has each board met, break down by board name;
 - b. what travel expenses are provided;
 - c. what is the average attendance at board meetings;
 - d. how does the board deal with conflict of interest;
 - e. what conflicts of interest have been registered;
 - f. what remuneration is provided to board members;
 - g. how does the board dismiss board members who do not meet attendance standards?
 - h. Have any requests been made to ministers to dismiss board members since September 7, 2013?
 - i. Please list board members who have attended less than 51% of meetings
 - j. what have catering costs been for the board meetings held this year; is alcohol served;

Answer:

3425. (a) The members of CALDB as a whole have not met during the Period. The CALDB holds only one meeting of all members per year, the last of which occurred prior to the Period. The CALDB is a disciplinary tribunal whose essential activity is to hold hearings in accordance with the provisions of the Corporations Act and ASIC Act to determine complaints against auditors or liquidators. The legislation requires these hearings to be conducted by a Panel of five members (if the Chairperson considers it practical and appropriate) or alternatively three members. During the Period four hearings were held. Each hearing was conducted by a Panel of three members.
- (b) Travel expenses were provided, in accordance with Remuneration Tribunal Determinations, for Panel members who were required to travel interstate to attend the hearings, as the members of the CALDB reside throughout Australia. The first hearing involved three interstate members and their travel expenses were paid. The second hearing was preceded by a mediation involving one interstate member and his travel expenses were paid.
- Otherwise, no travel expenses were paid in relation to the second hearing. The third hearing involved one interstate member and his travel expenses were paid. The fourth hearing involved two interstate members and their travel expenses were paid.
- (c) The CALDB held no Board meetings of all members in the Period. The attendance by Panel members at the four hearings was 100%, as required by the legislation.
- (d) Members cannot sit on a Panel to hear a complaint against a liquidator or auditor if they have a direct or indirect pecuniary interest in the matter being heard. No such conflict of interest arose during the Period. In addition, the Chairperson avoids selecting a member for a Panel if the member

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knows or has a connection with a witness or one of the parties, so as to avoid any suggestion of actual or apparent bias.

(e) There were no conflicts of interest registered during the Period.

(f) Remuneration is payable to members in accordance with Remuneration Tribunal Determinations.

(g) The situation has never arisen to our knowledge. All the members of a Panel must (and always do) attend hearings.

(h) No.

(i) Nil.

(j) The costs of catering this year were nil and no alcohol was served.