

Senate Finance and Public Administration Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
BUDGET ESTIMATES 2014-15

Finance Portfolio

Department/Agency: All
Outcome/Program: General
Topic: Boards (for Departments or agencies with boards)

Senator: Ludwig
Question reference number: F189
Type of question: Written
Date set by the committee for the return of answer: Friday, 11 July 2014

Number of pages: 3

Question:

Since September Additional Estimates in February, 2014;

- 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 Additional Estimates in February, 2014?
- 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:

Department/ Agency	Response
Finance	<p>a) Board attendance details for ASC Pty Ltd (ASC), Medibank Private Limited (MPL), Albury Wodonga Development Corporation (AWC), and Australian River Co. Limited (ARCo) will be detailed in their respective annual reports. The Comcover Advisory Council (Comcover) has not met during this time.</p> <p>b) As specified by the Remuneration Tribunal, directors of ASC, MPL and AWC receive Tier 1 travel allowance. Directors of ARCo do not receive travel allowance. The Determination that sets out the provisions that apply are outlined at: http://remtribunal.gov.au/media/documents/2013/compilations/travel-allowance-compilations/2013-16-determination-official-travel-by-office-holders/2013-16-Determination-26.9.2013.pdf. For Comcover, flight, accommodation and taxis costs are met.</p>

Department/ Agency	Response												
	<p>c) Board attendance details for ASC, MPL, AWC, and ARCo will be detailed in their respective annual reports. Comcover – not applicable during this period.</p> <p>d) Dealing with potential conflicts of interest is a matter for each Board. However, the <i>Commonwealth Government Business Enterprise Governance and Oversight Guidelines October 2011</i> (GBE Guidelines) require GBE boards to regularly monitor the ongoing independence of each director and the board generally to ensure that they continue to exercise unfettered and independent judgement. GBE Boards also need to ensure that a director does not have any interests that derogate from carrying out the role intended with diligence and care. The Government expects GBE boards to establish and maintain a code of conduct for directors, employees and contractors and ensure that GBEs, in undertaking their business, avoid activities that could give rise to questions about their political impartiality. The code of conduct may cover, among other things, conflict of interest. Consistent with the GBE Guidelines, appointment letters for all directors and Chief Executive Officers generally include reference to conflict of interest matters and directors are to formally respond to the letter of appointment within 30 days of receipt and provide an undertaking to advise the Shareholder Minister(s) if there is any change in circumstances that might impact on their ability to be a director. All Comcover Advisory Council members are required to complete a conflict of interest declaration upon appointment.</p> <p>e) This is a matter for the Chair of each entity to manage. The Comcover Advisory Council has had no conflicts of interest registered at this point.</p> <p>f) Directors of ARCo do not receive remuneration. Remuneration for the directors of ASC, MPL, AWC and the Comcover Advisory Council are determined by the Remuneration Tribunal. The current rates effective from 1 March 2014 are:</p> <table border="1" data-bbox="453 1200 1377 1344"> <thead> <tr> <th>Board</th> <th>Chair \$ per annum</th> <th>Member \$ per annum</th> </tr> </thead> <tbody> <tr> <td>ASC</td> <td>153,600</td> <td>71,680</td> </tr> <tr> <td>MPL</td> <td>128,530</td> <td>64,320</td> </tr> <tr> <td>AWC</td> <td>56,320</td> <td>28,160</td> </tr> </tbody> </table> <p>For Comcover, the rate for the non-APS members is \$848 per meeting.</p> <p>g) For GBE boards, the Shareholder Minister(s) may, at their discretion, remove directors at any time prior to the completion of their term of appointment. Dismissal of the directors would be considered, particularly in any case of failure to keep Ministers adequately informed, and in situations of ongoing under-performance in respect of financial or other aspects of the operations of the business.</p> <p>h) No, for Comcover, ASC, MPL, AWC and ARCo.</p> <p>i) Board attendance details for ASC, MPL, AWC, and ARCo will be detailed in their respective annual reports. Nil response in relation to the Comcover Advisory Council.</p> <p>j) This is an internal matter for each entity. Catering costs for GBEs are not funded by the Department of Finance. There have been no costs for the Comcover Advisory Council during 2014.</p>	Board	Chair \$ per annum	Member \$ per annum	ASC	153,600	71,680	MPL	128,530	64,320	AWC	56,320	28,160
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Australian Electoral Commission	<p>a) The full Electoral Commission has met once.</p> <p>b) Travel to/from airport and flights.</p> <p>c) 100%.</p> <p>d) As per section 11 of the <i>Commonwealth Electoral Act 1918</i> (CEA).</p> <p>e) Nil.</p>												

Department/ Agency	Response
	<ul style="list-style-type: none"> f) As per subsection 14A of the CEA. g) As per sections 12 and 25 of the CEA. h) No. i) Nil. j) Nil, no.
ComSuper	ComSuper does not maintain a board.
Commonwealth Superannuation Corporation	<p>For the period 25 February to 31 May 2014:</p> <ul style="list-style-type: none"> a) CSC Board has met 2 times. b) Travel allowance in accordance with Remuneration Tribunal Determination. c) 1.5 days duration, all Directors attend. d) In accordance with Board Policy, Code of Conduct, Conflicts Management/Framework and Conflicts Management Policy. e) CSC's Register of Duties & Interest will be disclosed on CSC's website from 28 July 2014. f) In accordance with Remuneration Tribunal Determination. g) This has not occurred, dismissal procedures would be in accordance with legislative provisions. h) Unaware. i) Nil. j) Catering costs for the 2 meetings between 25 February to 31 May 2014 are \$821.22. Alcohol is not served at Board meetings.
Future Fund Management Agency	<ul style="list-style-type: none"> a) Details of Board meetings are provided annually through the annual report. b) Board member travel expenses are dealt with through the applicable Remuneration Tribunal Determination c) Details of Board meeting attendance are provided annually through the annual report. d) The Board applies its procedures in accordance with the arrangements set out in Division 8 of Part 4 of the <i>Future Fund Act 2006</i>. e) Declarations of conflicts of interest are made on a confidential basis by Board members. Declarations made by Board members to the Board are considered by the Board in accordance with the requirements of Division 8 of Part 4 of the <i>Future Fund Act 2006</i>. f) Remuneration arrangements for Board members are set by the applicable Remuneration Tribunal Determination. g) The Board does not have the power to dismiss its own members. h) No. i) Details of Board meetings are provided annually through the annual report. j) \$2,543.25 (calendar year to 31 May 2014). No alcohol has been served.