

**Senate Standing Committee on Economics**

**ANSWERS TO QUESTIONS ON NOTICE**

Resources, Energy and Tourism Portfolio

Additional Budget Senate Estimates

23 February 2011

**Question:** AR5  
**Topic:** GCCSI Board Remuneration – Funding Agreement  
**Proof Hansard Page:** E74

**Senator Bushby asked:**

**Mr Clarke**—The Australian government has created a Corporations Law not-for-profit company and has deliberately structured that to have as broad a base of membership as possible. The institute has been very successful in establishing a broad based membership. The government chose to be the sole funder during the establishment period. The principal control over the taxpayers' funds is through the funding agreement that the department administers with the institute, where we sign off on the work program and the deliverables that we are getting for the government's money.

**Senator BUSHBY**—So, in that process, do you have any ability to examine remuneration of the board members and decisions that they make?

**Mr Clarke**—I am not aware that we have examined that particular expenditure.

**Senator BUSHBY**—Is there scope within that funding agreement?

**Mr Clarke**—I do not know.

**Senator BUSHBY**—Can you take that on notice, please?

**Mr Clarke**—Certainly.

**Answer:**

The Institute is an international organisation whose legal basis is an independent, not for profit entity established under the *Corporations Act 2001*. The Institute has been established as a private company with a Board of Directors responsible for governance as prescribed under Corporations Law. Its members are governments, major corporations and other entities from North America, Europe, the Middle East and Asia as well as Australia. A list of members is available at <http://www.globalccsinstitute.com/institute/membership>.

The Australian Government is not a Board member, and does not have the capacity to intervene in the decisions of the Board and the day-to-day operations of the Institute other than as one of over 270 legal members of the Institute. However, the overall strategic direction of the Institute is agreed by the Australian Government, through the Funding Agreement and the approved annual Work Program.

The Constitution provides that total remuneration of the Board must not exceed an aggregate maximum of A\$400,000 per annum. The Institute's Constitution can only be amended with the support of a quorum of legal members.

The Institute's Board Selection Panel, of which an Australian Government official is a member, nominates candidates for appointment as Directors of the Board, against selection criteria set out in the Constitution. Nominations for appointment are then voted on by Members at an Annual General Meeting. The Constitution sets out procedures for nominating, appointing, and removing Directors, and sets out specifics about term of appointment.