

SENATE STANDING COMMITTEE ON LEGAL AND CONSTITUTIONAL AFFAIRS  
NATIONAL CAPITAL AUTHORITY

**Question No. 43**

**Senator Lundy asked the following question at the hearing on 18 February 2008:**

1. Details of all decisions by the NCA to cut programs and activities since 1 January 2008, including a description of the activity or function subject to the cut, the date of the decision, the program, total program cost, expected savings, when the savings take effect.
2. For each savings decision, how long that program has been running, whether other organisation or volunteers are involved in the program, and, if so, the value of their contribution to the program or activity, and the percentage of the overall required saving for the NCA that the individual savings measure contributes in each financial year.
3. Dates on when each of these decisions were submitted to the NCA Board.
4. Copies of Board minutes and decisions on these savings.
5. Copies of all NCA media releases and correspondence relating to these savings.
6. Average annual direct and indirect costs for the NCA of one SES band 1 position, separately identifying direct and indirect costs (incl, salaries, travel, equipment, property, superannuation and other overheads).
7. Cost of the NCA Board, including remuneration, sitting fees and other direct expenses, and an estimate of the cost of servicing the Board.
8. Whether any Board members have identified related party transactions or conflicts of interest in the past 5 years, and the activities to which those disclosures were related.
9. Composition of the NCA's audit committee, when the member were appointed, their qualifications, the organisation they are employed by and any sitting fees or other costs to the NCA.

**The answer to the honourable senator's question is as follows:**

1. The tables in **Attachment A** detail the functions and projects affected by the implementation of budget savings.
2. Please refer to **Attachment A**. Function and project commencement dates have been provided where relevant.
3. The implementation of budget savings was considered by the Authority at meetings on 13 December 2007 and 24 January 2008.
4. Copies of the Authority Minutes for those meetings are at **Attachment B**. Note Attachment A to the minutes of the 24 January 2008 meeting is as at Attachment A to this response.
5. There were no NCA media releases or media correspondence in regards to the implementation of budget savings. Copies of other relevant correspondence are at **Attachment C**.

6. All Senior Executive Service positions are covered by individual Australian Workplace Agreements, the contents of which are staff-in-confidence. As reported in the NCA's Annual Report for 2006-07, the total remuneration packages for these positions are in the range of \$145,000 to \$204,999 which includes base salary, superannuation and allowances. Senior Executive Service officers are also eligible for a performance bonus of up to 10% per year.
7. Costs associated with the servicing of the Authority are as follows:

<b>Remuneration</b>	
Chief Executive's remuneration – full time Authority member	\$249,921 (see note below)
Chairman – remuneration/sitting fee as per Remuneration Tribunal Determination 2007/10	\$43,260
Authority members (3) - remuneration/sitting fee as per Remuneration Tribunal Determination 2007/10	\$52,380 (\$17,460 per member)
<b>Total</b>	<b>\$345,561</b>
<b>Servicing</b>	
Travel Allowance Allowance is payable for overnight stays. Four Authority members live interstate and on average stay overnight in Canberra for one night during Authority meetings. Any meals that are provided on the day of an overnight stay are deducted from this allowance as per the Remuneration Tribunal Determination 2004/03.	\$335 per night
Airfares – Authority members are entitled to travel business class as per the travel tier in the Remuneration Tribunal Determination 2007/10. Two members fly to Canberra for each meeting. The other two members either drive or fly depending on their commitments. When members drive, they are paid a mileage allowance as per the Remuneration Tribunal Determination 2004/03.	\$25,022 (2006-07) \$24,963 (2007-08 to date)
Other expenses – this includes taxis, Comcar rental, bus hire for site visits, meals, photographs, postage and freight	\$31,281 (2006-07) \$13,961 (2007-08 to date)

Based on expenditure for 2006-07, the estimated cost of servicing the Authority is \$178,595. This is based on ten Authority meetings for the financial year and does not include the Chief Executive's remuneration. This amount may decrease in future financial years with a reduction in Authority meetings and the utilisation of teleconferencing facilities. Servicing the Authority during 2006-07 also included approximately 70% to 80% of an APS 6's workload. Following the implementation of budget savings, this has been reduced to approximately 20% to 30%.

**Note:** The terms and conditions of employment for the Chief Executive of the NCA are covered by Remuneration Tribunal Determination 2005/19. Under the Principal Executive Officer (PEO) structure, the Chief Executive is a PEO Band C. Remuneration Tribunal Determination 2007/08 sets the total remuneration range for PEO Band C as \$190,000 to \$379,000. The Chief Executive is also eligible for a performance bonus of up to 15% per year.

8. All Authority members sign declarations of conflict of interest forms on an annual basis. A copy of blank form is at **Attachment D**. In addition to this, at the beginning of every Authority meeting, members disclose any interests relating to items on the agenda where there may be a possibility of a conflict of interest. Copies of the disclosures over the past five years are also at **Attachment D**.

Over the past five years there have been three chairmen and six members of the Authority (including the current membership). Authority members are required to disclose affiliations, memberships or 'party transactions' where there may be a conflict of interest with the work of the Authority.

9. The composition of the NCA's Audit Committee and its Charter reflect the ANAO's *Public Sector Audit Committees - Better Practice Guide (February 2005)*.

The Audit Committee Charter provides for the following membership structure for the Audit Committee:

- The Committee consists of at least three and not more than five members appointed by the Chief Executive.
- The members, taken collectively, will have a broad range of skills and experience relevant to the operations of the NCA.
- At least one member of the Committee must be an independent member.
- Under the current membership structure the Chair of the Committee is the independent member.
- At least one member of the Committee should have accounting or related financial management experience with an understanding of accounting and auditing standards in a public sector environment.
- Members will be appointed for an initial period of three years after which they will be eligible for extension or re-appointment, after a formal review of their performance.
- The Australian National Audit Office has a standing invitation to attend Committee meetings as an observer.
- The Chairman, the Chief Executive and the Chief Finance Officer are not members of the Committee, but may attend meetings as observers as determined by the Chair.

The current membership and details of the NCA's Audit Committee are as follows:

<b>Member</b> Position and Employer	<b>Role</b>	<b>Appointed</b>	<b>Qualifications</b>	<b>Sitting Fees</b>
<b>Jenny Morison</b> Director - Morison Consulting Pty Ltd	Independent Chair	18/5/2007	- Bachelor of Economics - Fellow Certified Practicing Accountant	\$330 per hour (GST inc) for preparation and attendance at meetings.
<b>Phillip Wales</b> Managing Director, Governance - National Capital Authority	Member	22/4/2002	- Diploma of Science - Bachelor of Business Administration - Post Graduate Certificate in Accounting	Nil
<b>Alison Walker-Kaye</b> Managing Director, International Relations and Leasing - National Capital Authority	Member	25/2/2008	- Diploma in Communication - Certificate in Computing - Royal Society of Arts Certificate – French and German	Nil

Aside from the sitting fee paid to the Independent Chair, there are no other costs to the NCA.