

Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Industry, Innovation and Science Portfolio
2017 - 2018 Budget Estimates
31 May – 1 June 2017

AGENCY/DEPARTMENT: DEPARTMENT OF INDUSTRY, INNOVATION AND SCIENCE

TOPIC: Payment of Northern Australia CRC board

REFERENCE: Questions on Notice (Hansard, 1 June 2017, page 83-84)

QUESTION No.: BI-47

Mr Stirling: On 20 February, the minister, Minister Canavan, and the Hon. Warren Entsch MP, as well as Senator Macdonald, announced the establishment board for the Northern Australia CRC. The board is led by Ms Sheriden Morris and includes representatives from across Queensland, Western Australia and the Northern Territory.

Senator KIM CARR: It is a full board, is it?

Mr Stirling: As you know, the way a CRC generally works is that a company is created and the Commonwealth will enter into a negotiation with that company and then, ultimately, execute a funding agreement. As we have talked about at previous estimates, this CRC has not been established in the traditional way that a CRC is established, and, as a result, the government has announced an interim board, or an establishment board. The role for those individuals is to work closely with stakeholders over the coming months to establish the CRC and create the company, and then go through the normal company processes and appoint a board on a permanent basis.

Senator KIM CARR: I see, so that process has not been concluded. Is that what you are telling me?

Mr Stirling: In terms of exactly where we are at in that process, the CRC, or the establishment board, have created the company. We are, right at the moment, negotiating a funding agreement with them. I would expect that we will execute that funding agreement in the not too distant future.

Senator KIM CARR: I see. How much is each member of the board paid?

Mr Stirling: Each member of the board is currently not receiving any remuneration from the Commonwealth.

Senator KIM CARR: From the company that has been established?

Mr Stirling: That would be a matter for the company.

Senator KIM CARR: You have no idea how much they are receiving?

Mr Stirling: No, I do not.

Senator KIM CARR: This is Commonwealth money, isn't it?

Mr Stirling: The Commonwealth has not paid any money to the company. In terms of the way a CRC works, there is a contribution from the Commonwealth from a grant perspective that has been set out—so it is \$75 million over 10 years that will be made available to this entity.

Senator KIM CARR: Yes. How much is being paid to the entity?

Mr Stirling: Not a cent.

Senator KIM CARR: Not a cent.

Mr Stirling: It is not feasible or possible to make a payment—I guess that is the important point—until we enter into a contract—

Senator KIM CARR: The funding agreement. Perhaps you could seek advice from the company as to what they intend to pay the board members. Can you do that?

Mr Stirling: I am happy to.

Senator KIM CARR: Thank you.

CHAIR: I am just wondering, if it is not government money—

Senator KIM CARR: But it will be.

CHAIR: whether it is appropriate.

Senator Sinodinos: We will come back to you on that.

Senator KIM CARR: Thank you.

Mr Stirling: Just to clarify, like we talked about with the Antarctic CRC, there is \$75 million of Commonwealth funding, but there is also a significant amount from participants—

Senator KIM CARR: I understand that. We have covered that. I understand that there is \$75 million worth of Commonwealth money. That is the bit that I am interested in, and I would like to know—

Senator Sinodinos: Yes, but the officer's point is that when others put money in the pot you cannot then tag the money and say this bit of the money went for X and Y.

Senator KIM CARR: Let's have a look at how much they are paying.

Senator Sinodinos: Money is fungible.

Senator KIM CARR: Thank you. Are there any bonuses? Could you ask them if there are any additional bonuses they are seeking.

Senator Sinodinos: They have not even established the company.

Senator KIM CARR: That is what we need to establish, Minister—if that is the case.

Senator Sinodinos: Wish I could get a bonus!

Senator KIM CARR: If you could provide that information, we will take it from there. It may be that they have not agreed to any payment schedule. When do you anticipate that the Commonwealth funding agreement will be concluded?

ANSWER

Remuneration levels for members of the board of the CRC for Developing Northern Australia is a matter for the board. The establishment board of the CRC has advised the Department that it has approved annual remuneration levels of \$55,000 for the Chair; \$35,000 for the Deputy Chair and \$30,000 for the remaining members. In addition, the CRC will reimburse travel expenses incurred by board members in undertaking their responsibilities. There are no bonuses payable.