

**Senate Standing Committee on Economics**

**ANSWERS TO QUESTIONS ON NOTICE**

Resources, Energy and Tourism Portfolio

Additional Budget Senate Estimates

23 February 2011

**Question:** AR4  
**Topic:** Global Carbon Capture and Storage Institute  
**Proof Hansard Page:** E72-E73 and E85-E86

**Senators Bushby and Eggleston asked:**

**Ms Sewell**—As at the end of January the total expenditure by the institute was \$49 million.

**Senator BUSHBY**—So they have spent \$29 million on matters other than funding development projects.

**Ms Sewell**—Yes.

**Senator BUSHBY**—What does that \$29 million comprise?

**Ms Sewell**—That is total expenditure, so it covers the administrative costs of running the institute and a range of other work that they have been doing to advance CCS. It picks up everything from capacity-building workshops in developing countries through to international seminars that they have organised to bring together some of the countries that are leading on CCS to work towards globally acceptable definitions on a range of issues around advancing CCS.

**Senator BUSHBY**—Do you have access to details of how that \$29 million is spent?

**Ms Sewell**—Yes. The institute is required to provide us with annual work program and with two six-monthly progress reports a year.

**Senator BUSHBY**—Are you able to provide that on notice to this committee?

**Ms Sewell**—I think I would have to take that on notice.

**Senator BUSHBY**—I am happy for that to be provided later but I would be very interested in seeing that information. One of the things that I presume some of that \$29 million has been spent on is administration. How many board meetings of the institute have taken place since its creation?

**Ms Sewell**—I would have to take that on notice.

**Senator BUSHBY**—How regularly do they have their meetings?

**Ms Sewell**—I think they have meetings roughly once a month. A number of those have been by teleconference.

**Senator BUSHBY**—Would you be able take on notice, then, in what format—whether it is telephone, in person or otherwise—each of those meetings was held and, if in person, where they were held?

**Ms Sewell**—Yes.

**Senator BUSHBY**—To the extent that the board members actually travel to a meeting, is it true that they travel first class.

**Ms Sewell**—I am sorry, Senator, I would have to take that on notice.

**Senator BUSHBY**—Thank you. Can you also tell me how many people have attended each of those meetings?

**Ms Sewell**—How many board members and staff?

**Senator BUSHBY**—How many people attend those meetings who would have been financed by the institute to attend those meetings.

**Ms Sewell**—Yes.

**Senator BUSHBY**—Do you have any information that could indicate what the estimated cost of each of these board meetings is—or any of them?

**Ms Sewell**—No, I do not believe so.

**Senator BUSHBY**—In that case, could you take on notice how much each of the board meetings has cost the institute in total, including travel, accommodation and other ancillary expenses?

**Ms Sewell**—Yes.

**Cont...**

**Senator EGGLESTON**—..... Going back to some questions Senator Bushby asked in relation to the Global Carbon Capture and Storage Institute; in addition to the questions Senator Bushby asked about where the board travels to and what the class of travel is, could you provide information about accommodation—hotel names and costs—for all of these trips and for all of the other people's travel that the institute pays for? And can we also have some information on the cost of allowances, meals et cetera that it paid for the travelling party on these trips?

**Senator Sherry**—As was indicated previously, given that we did not have the previous question, we would have to take all those on notice and we will get the answers.

**Senator EGGLESTON**—There are just a couple of other ones on notice, too, in relation to the same question. Does the department's standard funding agreement include access to the minutes and the remuneration of the personnel involved with the CCSI and the board itself?

**Senator Sherry**—We will take on notice whether or not that question is explicitly in the scope of the funding agreement.

**Senator EGGLESTON**—Can you also table in due course the department's standard funding agreement and, in addition, the funding agreements for the institute?

**Mr Clarke**—This is clearly a question to take on notice, but can I clarify the intent of the first part of your question. When you say 'standard funding agreement', I am not sure what you mean.

**Senator EGGLESTON**—You must have a standard agreement with—

**Mr Clarke**—The boilerplate for contracts and grants?

**Senator EGGLESTON**—No, for travel.

**Mr Clarke**—I see.

**Senator EGGLESTON**—And I presume also for other bodies.

**Mr Clarke**—We would not have a standard agreement on that. Where the department contracts an entity, company or individual to work for it, there is often a provision that we meet their travel costs and there is some arrangement about that. Is that the sort of area you are interested in?

**Senator EGGLESTON**—That is right. I would have thought that there would be a basic arrangement or set of conditions that were offered to groups that you fund.

**Mr Clarke**—I think I understand the point of your question: what is our normal arrangement where we are paying—

**Senator EGGLESTON**—I am looking to see if there are any differences between that standard agreement and the agreement struck with the CCSI.

**- END TRANSCRIPT -**

**Senator BUSHBY asked** - Do you have access to details of how that \$29 million is spent?

**Answer:**

As noted in the Hansard (E72 refers), expenditure by the Institute as at January was \$49 million however Senator Bushby inadvertently referred to the figure as “\$29 million” in later discussions. To clarify, as at 31 December 2010, \$49.7m had been spent in total and a further \$60.4m had been committed. Of the total \$110.1 million spent and committed \$39m has been allocated to “Practical Project Support”, and the remaining \$71.1 has been spent and allocated to other areas of the Institute’s work program.

In the eighteen months to 31 December 2010, the Institute has expended funds establishing and operating the organisation and on CCS project support and the associated work program. Key reports and activities undertaken include:

- Global Status of CCS Report
- Ideal Portfolio of Projects
- Defining ‘CCS Ready’
- CCS Project update, Project Summary to G8/G20
- Response to World Bank Energy Strategy Consultation
- Collaboration on IEA CCS Roadmap ‘One year on’
- Input to Major Economies Forum (MEF) Action Group CCUS Stock Take Report
- Capacity Development on CCUS / Public Awareness Workshops
- Membership Engagement
- Key partnerships in place (Asian Development Bank, World Bank, CSLF, IEA, CO2CRC, CSIRO, Clinton Foundation, Climate Group)

- Design and early development of a knowledge sharing program for Members and other stakeholders
- Engagement with governments and regional networks to establish programs and principles governing knowledge exchange
- Developed digital platforms which gives the Institute a sophisticated capability to share knowledge

Allocation of Institute actual expenditure and commitments as at 31 December 2010 is as follows:

Table 3: 2009-11 - Project to date as at 31 December 2010

1 July 2009 to 31 December 2010 (AUD\$)	Revised Actual	Revised Committed	Total spent/commit as at 31 December 2010
Funding Agreement	200,000,000		165,000,000
Total Income	165,000,000		165,000,000
Operational Costs (net interest/sundry income)	16,627,623	12,205,153	28,832,776
Regional Profiles & Global Services	2,938,304	5,419,792	8,358,096
Practical Project Support	11,803,490	27,231,137	39,034,627
Members Services	4,242,747	2,189,346	6,432,093
Policy Regulatory & Legal	2,224,323	3,466,601	5,690,924
Financial & Commercial	255,783	394,569	650,352
Community & Public Awareness	1,588,061	2,357,102	3,945,163
Technical Capability	188,454	0	188,454
Capacity Building	4,506,170	557,793	5,063,963
Knowledge sharing	5,420,865	6,572,485	11,993,350
Total Outgoings	49,795,821	60,393,978	110,189,799

**Senator BUSHBY asked** - How many board meetings of the institute have taken place since its creation?

**Answer:**

The Department does not ordinarily hold this information, however, the Institute has advised that 21 Board meeting have been held since June 2009.

**Senator BUSHBY asked** —How regularly do they have their meetings?

**Answer:**

The Department does not ordinarily hold this information.

However, the Institute has advised that the Board met more frequently in the start up phase (2009/10). There were only three Directors during this period compared to five Directors now, and the workload for the Board was greater. During this period they held 7 face to face meetings and 5 teleconferences. The Board now meets 6 times per

year (3 x face to face and 3 x teleconference), and in addition holds Board meetings at the Members Meetings (incorporating Annual General Meeting).

**Senator BUSHBY asked** — In what format—whether it is telephone, in person or otherwise—each of those meetings was held and, if in person, where they were held?

**Answer:**

The Department does not ordinarily hold this information, however, the Institute has advised:

7 x Teleconferences

1 x Face to face meeting, coinciding with Pittsburgh Members meeting

1 x Face to face meeting, coinciding with Paris Members meeting

1 x Face to face meeting, coinciding with Kyoto AGM

11 x Face to face meetings, Canberra

**Senator BUSHBY asked** — To the extent that the board members actually travel to a meeting, is it true that they travel first class.

**Answer:**

The Department does not ordinarily hold this information, however, the Institute has advised that the travel policy provides for ‘best class’ travel for Board Members. Less than one third of travel has been in first class.

**Senator BUSHBY asked** — How many people attend those meetings who would have been financed by the institute to attend those meetings.

**Answer:**

The Department does not ordinarily hold this information. The Institute has advised that it pays travel expenses for Directors to attend Board meetings. There were three Directors from June 2009 to October 2010, and there have been five Directors since November 2010. The Company Secretary and staff representatives attend the Board meetings when held in Canberra. No Institute staff members travel specifically to attend Board meetings.

**Senator BUSHBY asked** — How much each of the board meetings has cost the institute in total, including travel, accommodation and other ancillary expenses?

**Answer:** The Department does not ordinarily hold this information, however, the Institute has advised that total cost for Board meetings has been \$195,595. The average cost for face to face meetings is \$13,971.

**Senator EGGLESTON asked** — could you provide information about accommodation—hotel names and costs—for all of these trips and for all of the other people’s travel that the institute pays for? And can we also have some information on the cost of allowances, meals et cetera that it paid for the travelling party on these trips?

**Answer:**

The Department does not ordinarily hold this information, however, the Institute has advised that it does not provide allowances. Meals are provided at the meetings or included in the cost of accommodation. When holding a Board meeting in conjunction with a Members meeting the Directors stay at the venue where the meeting is held and the cost is included in the total meeting cost. When in Canberra the Directors stayed at the Realm, Diamant Hotel or Hyatt at an average cost of \$245.00 per night (July 2009 to November 2009), and at the Crowne Plaza at an average cost of \$273.00 per night (December 2009 onwards).

**Senator EGGLESTON asked** — Does the department’s standard funding agreement include access to the minutes and the remuneration of the personnel involved with the CCSI and the board itself?

**Answer:**

The Funding Agreement with the Global Carbon Capture and Storage Institute does not include access to minutes of the Board. The Institute is an independent, not for profit legal 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, and the Commonwealth is not a member of the Board. Board members are appointed by the Members, on recommendations made by the Board Selection Panel, on which the Australian Government has a representative, and the strategic direction of the Institute is set out in the Funding Agreement and cannot be changed without the agreement of the Australian Government.

The Funding Agreement has a number of requirements for financial reporting, including an audited financial report no later than 4 months after the end of a financial year, which includes:

- A specific comment on the adequacy of the financial controls being maintained by the Recipient;
- B specific comment on the Recipient's financial position as it relates to any issues affecting the Recipient's ability to repay surplus Funds or complete the Project with available Funds;
- C specific comment on the Recipient's ability to meet its taxation liabilities and any costs associated with any court or tribunal orders made against the Recipient or involving the Recipient;
- D specific comment on the Recipient's compliance with its obligations to pay superannuation entitlements;

- E where there are any qualifications or limitations on the audit, an outline of the reasons for the qualifications or limitations and the remedial action recommended; and
- F an itemised list of fees paid to officers of the Recipient

**Senator EGGLESTON asked** — I would have thought that there would be a basic arrangement or set of conditions that were offered to groups that you fund. ... I am looking to see if there are any differences between that standard agreement and the agreement struck with the CCSI.

**Answer:**

Under funding agreements, such as the Funding Agreement with the GCCSI, travel costs are not specified and are a matter to be managed within the budget of the body being funded. Under other contracts, such as consultancies, travel costs are generally in accordance with the SES or non-SES equivalent (as specified in RET's Travel Procedural Rule).