

# Australian Greens Senators' Additional Comments

1.1 The Australian Greens believe that the Australian Business Investment Partnership Bill (2009) contains a number of flaws relating to the uneven distribution of risk and uneven provision of benefits to industry between the private sector participants and the Commonwealth and in its proposed governance arrangements.

1.2 Consequently, the Australian Greens propose the following amendments to the Bill:

- (a) A requirement that all officers of private sector participants in the ABIP i.e. property development companies and/or consortia who are applying for debt funding under ABIP; and the four shareholder banks, must not be paid greater than \$1 million p.a.
- (b) The sum of \$1 million includes all remuneration paid, promised or guaranteed in any form, including through consultancy agreements and grants of shares or other interests, and including any payment made upon resignation or retirement, however described.

1.3 This amendment is designed to ensure that those industry participants who directly benefit (i.e. the commercial property development companies) or indirectly benefit (i.e. the banks) from the Commonwealth involvement in ABIP demonstrate corporate responsibility and reasonable restraint to the community by limiting excess wages. This approach is consistent with the responses required from companies receiving similar government support in other countries – for example the United States.

- (a) A requirement that the number of ABIP directors increases to 8 and that the Commonwealth nominates four of the ABIP directors; with the remaining shareholders nominating one director each.
  - (i) A requirement that decisions regarding contract enforcement:
    - Be made by 75% of ABIP directors; and
    - That this decision is agreed to by at least two of the directors nominated by the Commonwealth.

1.4 This amendment addresses the need for the governance arrangements to reflect equity share in ABIP. The Commonwealth is providing 50% of the equity in ABIP while each of the four private banks each provide 12.5% of equity. This amendment ensures that the Commonwealth representation on the board of ABIP is commensurate with the relatively larger amount of equity contributed.

SENATOR BOB BROWN  
AUSTRALIAN GREENS