OFFICIAL

CATSI Act Review

# Part 8—Officers of corporations

The final report made a number of recommendations around changes to provide better transparency for members, and greater accountability for officers of corporations. These included making remuneration more visible and providing members with more information about who is in control of their corporation.

## Items 128 to147 and 159 to163—Information regarding CEO and CFO Function

Recommendation 37 of the CATSI Act Review final report states:

*It is recommended the CATSI Act be amended to require CATSI corporations to notify ORIC within 28 days of a change in Chief Executive Officer, Chief Financial Officer and Chief Operating Officer.*

Recommendation 37 is being taken forward in a different way to what was proposed but with the same intent.

After much consultation and consideration it was agreed that while most CATSI corporations would have a Chief Execcutive Officer (CEO), and many would have a Chief Financial Officer (CFO) or someone performing those functions, many would be unlikely to have a Chief Operating Officer. As such, the recommendation was modified to include notification regarding only the CEO and CFO.

At present, the CATSI Act does not separately provide for the role of a CFO—except as part of the CEO function. The existing definition of CEO at section 694-85 states that anyone primarily responsible for financial matters in relation to the corporation and directly responsible for those matters to either the directors or another person or people performing the CEO function (where there is more than one person performing the function), performs a CEO function. Items 159 to 163 amend section 694-85 to explicitly provide a meaning for a CFO function.

Items 128 to 147 make changes to various provisions throughout the Act to include the concept of a CFO and CEO, and other officer roles.

Item 135 specifically gives effect to recommendation 37 by requiring that a corporation must lodge with the Registrar a notice of the personal details of a person performing a CEO or CFO function in relation to the corporation within 28 days after they begin to perform that function.

## Items 148 to 158—Remuneration reporting

Recommendations 33 and 34 were aimed at providing greater transparency for members around the remuneration of key management personnel of the corporation.

They state:

*It is recommended senior executive remuneration information be included in annual reporting to the Registrar and that the same information is laid before Annual General Meetings in accordance with Recommendation 29 in Chapter 4.*

*It is recommended the remuneration information of key personnel of associated entities also be reported in annual reports to the Registrar.*

The detail of what is contained in reports to the Registrar is outlined in the CATSI Regulations. Items 148 to 158 give effect to recommendations 33 and 34 by introducing the concept of a Remuneration Report along with other specified reports. The details of what will be in the Remuneration Report will be developed when the Regulation amendments are drafted. Time permitting, consultation will be undertaken in relation to the proposed amendments to the CATSI Regulations.

## Item 164—Definition

Item 164 provides for a definition of key management personnel, the remuneration for which is to be included in a Remuneration Report, and links it to the accounting standards to ensure consistency.