



First Nations Bailai, Gurang, Gooreng Gooreng,
Taribelang Bunda People Aboriginal Corporation
Registered Native Title Body Corporate



FNBGGGTB Development Corporation



TRUST

**First Nations Bailai, Gurang, Gooreng Gooreng, Taribelang Bunda People
Aboriginal Corporation RNTBC**

and

**Port Curtis Coral Coast Ltd ATF the Port Curtis Coral Coast Aboriginal People
Charitable Trust**

and

**First Nations Bailai, Gurang, Gooreng Gooreng, Taribelang Bunda People
Development Corporation Ltd**

COMMUNITY CONSULTATION OPTIONS PAPER

COMMON DIRECTORS BETWEEN THE CORPORATIONS

1. Background

The Corporate Structure of the FNBGGGTB Peoples Group evolved over a period of years, initially with formation of the PCCC Ltd, then the PBC and finally the Dev Co. The constitutions of each entity were developed separately at different times and to different regulatory requirements and authorities (CATSI Act (ORIC) or Corporations Act (ASIC) and ACNC Act (ACNC)) resulting in some issues in how they interact, particularly in relation to the director appointments.

Table 1: Current Composition of PBC, PCCC Ltd and DevCo Boards			
	PBC	PCCC Ltd	DevCo
Size	Full Board – 8 Directors	Full Board – 8 Directors	Full Board – 8 Directors
Composition	2 x Directors each from: • Bailai, • Gurang, • Gooreng Gooreng • Taribelang Bunda With one Director from each TO Nation also being a Director of PCCC Ltd.	2 x Directors each from: • Bailai, • Gurang, • Gooreng Gooreng • Taribelang Bunda With one Director from each TO Nation also being a Director of PBC.	1 x Director each from • Bailai, • Gurang, • Gooreng Gooreng • Taribelang Bunda With that Director also being a Director of PBC or PCCC. 4x Skills-Based Directors
Term	2 year term	3 year term	2 year term Member Directors 1 year term Skills-Based Directors
Selection responsibility	TO Nations nominate representative directors	TO Nations nominate representative directors	<u>Member Director:</u> PBC appoints 1 of the PBC or PCCC Ltd Directors from each TO Nation. <u>Skills-Based Director:</u> DevCo. Board selects 4 x Skills-Based Directors.

2. Issues

As set out in table 1. above, the PBC and the PCCC Ltd Board of Directors each have 8 Representative Directors made up of 2 Representative Directors from each TO Nation. The DevCo also has 8 Directors but consists of 4 Member Directors (being one PBC or PCCC Director from each TO Nation) and 4 skills-based Directors. The rationale for the Dev Co Board including 4 skills-based Directors was that it was felt it needed to be able to access the necessary expertise to oversee nation and wealth building projects.

As the corporations were being established it was agreed that there should be some common Directors across the three Boards to ensure that there was good information flow and consistency of approach between the three Boards. Therefore, the Rule Book and the Constitutions were drafted to include provisions requiring the appointment of common Directors sitting across the Boards. As the three corporations are now operational additional measures have been adopted to ensure consistency and flow of information that has made this less crucial such as:

- An Executive Chairs Committee has been established that consists of the Chairs of the 3 Corporations and the Group CEO. This committee meets between Board meetings to address matters of concern to all three Boards.
- An All Boards Forum has been scheduled into the meeting calendar once every quarter. This is a Forum that all Directors of all three Boards attend to discuss matters relevant to all three Boards and to generally ensure there is information flow between the three Boards.

It was originally envisaged that each TO Nation would elect 3 Directors (Director A, Director B and Director C) and those Directors would sit on the Boards as follows:

PBC	PCCC	DevCo
Director A & Director B	Director A & Director C	Director B

Under this model, the two PBC Directors would each sit on one of the other Boards and a third Director from the TO Nation would sit on the PCCC Board only. However, the practical application of this model has been associated with some challenges.

One of the primary issues is that PBC Directors and DevCo Member Directors are appointed for a term of two (2) years, but PCCC Ltd Directors are appointed for a term of three (3) years. Consequently, the terms of all PBC and PCCC Ltd Directors conclude concurrently once every six (6) years meaning that:

- Once every six years all Director positions are up for selection/election resulting in the potential loss of all corporate knowledge across all three Boards at the same time.
- In the interim years, when the terms of PBC or PCCC Ltd Directors expire, due to the common Director requirements, one of the vacant Director positions on the Board must be filled by a Director from the other Board. This is the case regardless of the outcome of any selection/election process conducted by the TO Nations. Typically, this has meant that if a TO Nation selects/elects Director A and Director D:
 - Director D cannot be appointed and Director A or B takes what would have been Director D's position; or

- Director D is appointed in contravention of the Rule Book/Constitution so you end up without the required common directors for example:

PBC	PCCC	DevCo
Director A & Director B	Director D & Director C	Director B

- At times the only way to maintain the common director requirements has been for a PCCC Director to sit on Dev Co or the same Director has to sit on all three Boards.

The Boards would like to address these issues and is seeking feedback from the community on the following options.

3. Options

(a) Retain common director requirements but bring the terms of office into alignment

As the CATSI Act sets the maximum term for PBC director at two (2) years, the easiest option to ensure that Directors have the same term of office would be to change the term of office for PCCC Directors to also be 2 years. At the same time as doing this it would be possible to ensure that there is a staggered rotation of Director positions so that not all Directors terms of office expired at the same time.

To achieve this, it would be proposed that the common director provisions in the Rule Book of the PBC and Constitution of PCCC Ltd be amended to reflect the following approach.

PBC	• The TO Nations each elect two (2) Representative Directors to sit on the PBC Board. • Director A would be appointed at one AGM and Director B would be appointed at the next AGM. • Any Directors taking a role as a casual vacancy would only hold office for the same length of term as the Director they replaced.
PCCC Ltd	• Once every two years the TO Nations would each elect one (1) Representative Director to sit on the PCCC Ltd Board. • There is the option to have this Director either: ○ be required to sit on the PCCC Ltd Board only; or ○ be permitted to also sit as a PBC Director if elected. • The PBC appoints one (1) of the elected PBC Directors from each TO Nation to the PCCC Ltd Board to achieve the common director requirements. • Any Directors taking a role as a casual vacancy would only hold office for the same length of term as the Director they replaced.

DevCo	• The PBC appoints one Representative Director from each TO Nation to serve as a DevCo Member Director to achieve the common director requirement. This may be either a PBC or PCCC Director. • The DevCo Board appoint four (4) skills-based Directors.
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(b) Remove the common Director Requirements between the PBC and PCCC

This would mean that each TO Nation would elect 4 Representative Directors – two for the PBC Board and two for the PCCC Board.

There is the option to have these Directors either:

- be required to be 4 different people; or
- be permitted to sit on both Boards if that is how the TO Nation votes.

There would be no need to reduce the term of office of PCCC Directors from 3 years to 2 years but this could be done for consistency and ease of administration.

At the same time as doing this it would be possible to ensure that there is a staggered rotation of Director positions so that the Directors' terms of office never all expired at the same time.

The PBC would still appoint one Representative Director from each TO Nation to serve as a DevCo Member Director. This may be either a PBC or PCCC Director but it could not be a person that sits on both the PBC and PCCC Boards as the workload requirement are such that sitting on three Boards is not recommended and it would be preferred that a Nation have a broader representation of people on the Boards.

(c) Remove the Common Director Requirements between all Three Boards

This would mean that each TO Nation would elect 5 Representative Directors – 2 for the PBC Board, 2 for the PCCC Board and one for the Dev Co Board.

There is the option to have these Directors either:

- be required to be 5 different people; or
- be permitted to sit on 2 Boards if that is how the TO Nation votes.

A person would not be permitted to sit on all Boards for the reasons mentioned above.

There would be no need to reduce the term of office of PCCC Directors from 3 years to 2 years but this could be done for consistency and ease of administration.

At the same time as doing this it would be possible to ensure that there is a staggered rotation of Director positions so that the Directors' terms of office never all expired at the same time.

4. Next Steps

Once this consultation is complete, the Board will instruct its lawyers to include any changes required to the Rule Book of the PBC or Constitution of the PCCC Ltd or Dev Co to give effect to the chosen options in the current reviews of the Rule Book and Constitutions.

The amended Rule Book and Constitutions will be presented to the members to vote on at their respective AGMs.