

## CHAPTER 6

### SUMMARY OF CONCLUSIONS

The Committee's main conclusions are as follows:

#### Contract employment

- . In general, the Committee does not disapprove of contracts of employment by a statutory authority, particularly when it will facilitate and improve the functions and responsibilities of the authority. However, the Committee believes that contract employment should not be used for normal full-time employment and that contracts, limited to contracts of employment, should be used only for limited employment or for the engagement of persons to perform particular tasks (paragraph 2.44)
- . The ABC has been given the power to enter into employment contracts by the Parliament and the Committee believes that the ability to engage people under contract on occasions allows the ABC to obtain the services of people from specialised areas or for fixed terms (paragraph 2.45)
- . Contracts should be used with discretion and a contract should not be entered into merely because it is demanded by the person whose services are sought by the ABC. All other options should be considered before the ABC agrees to enter a contract (paragraph 2.46)

- . Contracts for service are not a desirable form of arranging employment. The Committee believes that contracts for service can distort the normal employment relationship and may allow a person whose services are obtained under a contract for service to gain a number of tax and other financial advantages not available to salaried employees, or those engaged under contracts of employment. The facilitation of such arrangements by a Commonwealth authority is undesirable (paragraph 2.47)
- . It is necessary for the ABC to introduce clear guidelines on contract employment which address these matters as soon as possible (paragraph 2.48)

#### Confidentiality of contracts

- . The provision of powers to enter contracts in an authority's enabling legislation does not imply that the authority can presume that the Parliament or its committees will not insist on disclosure of details of such contracts (paragraph 3.21)
- . As a basic matter of accountability, it is desirable that details of contracts not be confidential (paragraph 3.22)
- . When the Parliament seeks information concerning contracts which are claimed to be commercially confidential, proper regard should be had for genuine personal and commercial interests (such as privacy or competitiveness) that may be affected by publication (paragraph 3.23)

- . The actual remuneration for providing services to an authority (whether as employee or contractor) should be available to the Parliament when requested. Whether a person is paid under the terms of a Remuneration Tribunal determination or an applicable industrial award, or is a contractor, does not appear relevant to the Committee. Estimates Committees were established for the specific purpose of examining the expenditure programs undertaken by departments of the Commonwealth and statutory authorities. Accordingly, authorities must be prepared to account to Estimates Committees for all aspects of their financial management and administration, even when the information sought may be regarded as private or commercially confidential. This aspect of statutory authority accountability should be made clear at the time an authority enters into negotiations for any type of contract and should be made clear in the terms of contracts entered into (paragraph 3.24)

#### Ms Doogue's Contract

- . It was highly irresponsible of the ABC to enter into a contract which provided for the payment for services so far in advance of their being provided. The Committee considers that no similar provision should ever be even contemplated again (paragraph 4.27)
- . The Parliament did not intend to give the ABC the power to enter into contracts containing terms which could lead to any doubt whatsoever in the mind of the ABC that the Parliament, or its committees, were entitled to have full disclosure of their provisions (paragraph 4.28)

- . The ABC's desire to obtain Ms Doogue's services is understandable, but the ABC should have taken a stronger negotiating stand and attempted to resist the imposition of the 'up-front' payment clause when first proposed and in the subsequent years (paragraph 4.29)

Accountability of the ABC to the Parliament and its committees

- . The ABC must expect, and respond to, the same degree of scrutiny as any Commonwealth statutory authority and be prepared to report fully on its operations whether to Estimates Committees or to a Committee such as Finance and Government Operations (paragraph 5.1)

John Coates  
(CHAIR)