

**Opening Comments by ABC Managing Director, Jonathan Shier to Senate Estimates Committee, 22 February 2001.**

- Chairman and Senators, I would like to take this opportunity to raise a couple of issues that have been the subject of recent media interest and place a response on the record.
- There are two issues in particular I would like to address: the contents and status of an internal confidential document that was apparently deliberately leaked to the press in January, and the subsequent investigation.
- At the time of the initial publication of figures from the document on 19 January, the ABC spokesperson was reported as saying "the figures are wrong". Despite renewed widespread media coverage of the contents of the document in recent days, the ABC has made no further public comment on its details. I have of course been conscious of the inference in some media reports that inaccurate information has been given to the Senate. Therefore, given the timing and circumstances we considered it to be more appropriate that this explanation be made direct to the Senate, through your Committee.
- I confirm that the document in question was a draft internal working paper prepared late last year, which reported on the potential profile of Senior Executive establishment numbers in the Corporation.
  - It was **not** a report on the **actual** number of staff employed in our senior executive classifications.
  - It included new and proposed positions that were part-time, unfilled, transfers from existing non-SE positions and positions that have since been identified as no longer required.
  - The number of positions and the cost of those positions were based on the assumption of all positions being filled - many of which were only proposals at the time - and which assumed mid point salary ranges.
  - More importantly, the senior executive ranks in the ABC relate to an industrial classification. They cover a broad range of positions in the ABC, but they are not the ABC's senior management.
  - It is also important to note that despite the terminology the ABC Senior Executive structure is not the equivalent of the Senior Executive Service of the Australian Public Service, which Senators may be more familiar with.
- Of equal concern to us was that the document leaked also contained detailed personal information on all staff members in the senior executive classifications, including where appropriate names, salary classification and the status of the individual manager's position.
- The figures the ABC supplied to the Senate following the November Budget Supplementary Estimates hearings in answering question 76 from Senator Bishop are the correct figures. We have undertaken a full audit of all positions and the figures supplied by the ABC were actual senior executive staff numbers at the dates requested.

- For the information of the Committee these staff numbers were:
  - March 1999 245
  - July 1999 238
  - March 2000 245
  - July 2000 252
- The equivalent figure for February 2001 is 263 - these are actual numbers of senior executive employees (full-time equivalents) employed by the Corporation.
- Hence between March 2000 and early February this year, the number of senior executive positions increased by 18. However included in the 18 are 12 positions which were already on the ABC payroll in March 2000 - those positions being of similar salary but reclassified as Senior Executives; those being:
  - 5 Production Resources Managers
  - 5 Commissioning Editors
  - 1 Policy Manager, and
  - 1 Recruitment Manager
- Thus you will see that the actual net number of Senior Executives has increased by 6 since I became Managing Director- not 55 as reported in the media.
- As I have stated the ABC classification of Senior Executives is not an indication of our senior management numbers. It includes operational and specialist positions such as: lawyers, some broadcasting editors, auditors, technical service managers, and other staff not defined as senior managers.
- The ABC defines the Corporate Management team in terms of managerial responsibilities, with positions defined as:
  - "those that have responsibility for human, physical and financial resources and that also have an impact on determining the strategic direction of the Corporation through policy development, assessing and determining strategic priorities and/or Corporate goals and objectives".
- The number of such Managers as at 5 February 2001, is 166. It is worthy of note that the matter of actual management numbers in the Corporation has previously been poorly defined so no comparisons are possible.
- In regard to the current Australian Federal Police investigation into the circumstances of the leak of the document to the media, I would just like to make the following points:
  - Firstly, the Head of the ABC's internal auditing department is independent of ABC management. He is responsible to an Audit Subcommittee of the ABC Board. This is defined in his audit charter, endorsed by the Audit Subcommittee in May 1996. As Senators would be aware, amongst other things, he audits management itself. He must therefore be able to act independent of management.

- The matter first came to the attention of the Head of ABC Group Audit on 19 January 2001 when he read articles in The Sydney Morning Herald and The Australian, which referred to a leaked ABC document. He was of the view that a serious leak of information may have occurred from the Corporation and consulted with the ABC's National Security Manager.
- The Head of ABC Group Audit has made several comments on why he felt that this matter was serious. He has said that the communication of the information to the media was not authorised and that it was confidential to the ABC. He believed that it was leaked with the intention of causing damage to the ABC's reputation and was possibly an offence under The Crimes Act. As I mentioned earlier the document was a draft document, which contained personal details about ABC staff.
- I should also point out that the ABC's staff rules expressly forbid the disclosure without authority of information concerning the ABC's business. This was re-emphasised to ABC staff last year in a document from the ABC's legal department on work place values.
- The Australian Federal Police were not 'called in' to the ABC. The Head of ABC Group Audit and the ABC's National Security Manager of their own initiative consulted with the police, and the police asked that the matter be referred to them. The police made the decision to investigate this matter and notified the Head of ABC Group Audit of their decision.
- In consulting with the Australian Federal Police, the Head of ABC Group Audit and the ABC National Security Manager were following the ABC's policy on fraud, the ABC's internal fraud case management procedures, and the Fraud Control Policy of the Commonwealth. The Head of ABC Group Audit was under an obligation to consult with the police as he had concluded that the matter was serious, and he would be in breach of those policies and procedures if he had not. It was not a matter of discretion. There have been a number of other instances in which the AFP has been consulted in connection with internal audit investigations. On all those occasions the Head of ABC Group Audit consulted with the AFP prior to advising the Board Audit Subcommittee.
- The Head of ABC Group Audit and the National Security Manager advised the Director of Funding, Finance and Support Services of their intention to conduct a preliminary review into this matter. Subsequently they informed him of their intention to consult with the Australian Federal Police, and finally they informed him of the police decision to investigate the matter. The Director of Funding, Finance & Support Services notified me after the Head of ABC Group Audit and the National Security Manager took their decision to consult with the ATP.
- I think it is worth re-emphasising that the final decision on whether this matter was sufficiently serious to warrant police investigation rested with the Australian Federal Police.

Thank you for the opportunity to make these comments.

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