

Friends of the ABC (NSW) Inc

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We welcome the opportunity to make this submission to the Senate Committee inquiry into the Australian Broadcasting Corporation Amendment Bill 2006.

1. Explanatory Memorandum

It is noted that there are three alleged matters of concern :-

- (a) an on-going tension relating to the position of staff-elected Director.
- (b) a potential conflict exists between the duties of the staff-elected Director to act in good faith in the best interests of the ABC, and the appointment of that Director via election by ABC staff.
- (c) the election method creates a risk that a staff-elected Director will be expected by the constituents who elect him or her to place the interests of staff ahead of the interests of the ABC as a whole where they are in conflict.

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The Bill appears to rely heavily on findings contained within the Uhrig Review of June, 2003. We submit that such reliance is erroneous for the following reasons :-

- (a) the Uhrig Review, while established to review corporate governance of statutory authorities in general, focused on taxation, regulation and provision of services.
- (b) Uhrig, in referring to “representational appointments”, gave examples of representatives of a parent company sitting on the board of subsidiaries and also where public servants appointed to boards on the basis of representing the government’s interests or having a ‘quasi’ supervision approach, conflicts of interest may arise and poor governance is likely. Such examples bear no resemblance to the method of electing the staff-elected director of the ABC.
- (c) The Uhrig Review, in all of its 133 pages, makes no reference to the ABC or any of the other organizations which have representational appointments to their Boards.

2. The Position of Staff-Elected Director on the ABC Board.

The position of staff-elected Director was established when the corporation was created in 1983. Successive staff-elected Directors have made substantial contributions to the ABC Board. They have brought to the Board table, largely made up of lawyers and financiers, a background of expertise in and a commitment to the ABC, in particular, and public broadcasting in general. They alone, have been able to contribute to any debate or decision-making process from the perspective of a broadcaster or program-maker.

There has been no evidence that the staff-elected Director has breached Board confidentiality or a failure to observe the principles of Corporate Governance. Indeed, with the Australian Electoral Commission supervising the election of the staff-elected Director, it is a more democratic process than that of appointing other Directors to the Board of the ABC.

3. Summary

We strongly submit that it is in the interests of the ABC that the position of staff-elected Director on the Board be retained.

- (a) it is incorrect to associate the findings of the Uhrig Review with this proposed Bill.
- (b) the position of staff-elected Director is not a conflict of interest.
- (c) there is no evidence that successive staff-elected Directors have breached Board confidentiality or failed to adhere to the principles of Corporate Governance.
- (d) the staff-elected Director makes a valuable contribution which is not available from other Board members.

Gary Cook
President
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