

TOM MOLOMBY SC

FREDERICK JORDAN CHAMBERS
53 MARTIN PLACE,
SYDNEY NSW 2000



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The Secretary
Senate Environment, Communication, Information Technology
and the Arts Legislation Committee
Department of the Senate
Parliament House
Canberra act 2600

Dear Sir,

Re: Australian Broadcasting Corporation Amendment Bill 2006

I wish to make a submission to the Senate Committee inquiring into the Australian Broadcasting Corporation Amendment Bill 2006, in which the Australian Broadcasting Corporation Act (1983) is to be amended to abolish the position of staff-elected director and deputy staff elected director.

I was the staff-elected director on the ABC Board from December 1983 to June 1988.

This position has been a notable success, and far from deserving to be abolished, should be used as a model for introduction into other organisations. I note that in some progressive and highly industrialised countries such positions are common.

The reasons suggested as the basis for its abolition are quite without foundation. From the earliest days of the position, they were never an issue. This is made clear in several pages of my memoir of my time in the ABC, "*Is there a moderate on the roof?*", published in 1991. I enclose copies of 5 pages (323-327) in which I discussed the role of the staff elected director.

There were many instances in my time on the Board when there was an obvious benefit to the organisation through the inside knowledge and understanding of

broadcasting which I was able to bring to discussions. I know that has been so also with my successors.

One person out of nine does not have the numbers to exert any influence; her or his only effective contribution is through the quality of the information or insight which she or he brings. That can be critically important, particularly in an organisation with such a very diverse range of activities, operating in an environment – the media world – which is itself rapidly changing, and because of its functions necessarily at the centre of change in the world generally. A Board charged with the responsibility for such an organisation has much to gain, and nothing to fear, from a staff elected director.

Shortage of time prevents me writing more at this point, but I would of course be willing to assist with any further information, or respond to any queries.

Yours sincerely,

Tom Molony.

The role of the staff-elected director was a novelty for me as it was for nearly everyone else, and I found some obvious difficulties with it. Not however, sufficient to make it impossible to perform, nor, as some of the random critics of the position would urge, to disqualify it completely from existence. Initially, on taking up the position, I thought there was a risk that staff might regard me as a sort of universal ombudsman. That, however, scarcely ever occurred. There were of course occasions when I had information as a Board member which I would like to have given to particular staff members, or to the union, but I did not find that a greater problem than handling sensitive information in other roles within the organisation, either, say, as a member of an interviewing committee for a position, a member of a disciplinary board, or as a union official. I found on the whole that the staff and the union entirely understood the position, and there were few approaches or pressures to divulge.

It is sometimes said by those who disagree with the concept of such a position that it involves a conflict of interest. From experience I can say that there are few real conflicts, and those which occur are manageable. There is in any case far greater conflict for the managing director as a member of the Board. (Prior to the new legislation in 1983, the general

manager had not been a member of the Commission.) The managing director frequently puts to the Board proposals which he supports, and which he has discussed with senior executives, and for which they or others expect him to secure approval. In so doing he is almost always advocating a position to which he is already committed; his role in discussion and voting at the Board can then scarcely be free from conflict. That again is a conflict which is mostly manageable, but it is idle to pretend that it does not exist.

I am nevertheless inclined to believe that its intensity is such that the preferable arrangement is for the managing director not to be a member of the Board. Whitehead tried to impose on the senior executives a type of cabinet solidarity, so that even when there had been differences of opinion on a proposition within management, usually only a single view was put to the Board. In a letter in 1985 to a newly appointed executive, Whitehead wrote: 'By being part of the executive team, you commit yourself to supporting in all forms the agreed policies of the executive group.'

The only problem which I recall arising because of my being a member of staff occurred particularly during my earlier period on the Board. I quickly became aware that I knew more about the background to many issues than other members of the Board, and I often felt the temptation early in discussions to make some observations or give an explanation; but I judged that I might wear out my welcome if I intervened too often, and so tried to ration my contributions and confine them to central issues.

My only problem as a member of the Board which I would describe as really difficult did not come from being a member of the staff, but is, I imagine, experienced by many members of boards; it is another aspect of risking wearing out one's welcome. Most Board members have other major commitments in their lives; they calculate having to spend perhaps two days a month in formal meetings with a bit of other business fitted in elsewhere. They want the business of a meeting to be over within the day, and in my experience they have limited tolerance for detailed and difficult discussion.

I would say that five tough issues in a day is the absolute maximum, preferably only three or four. Beyond that, patience and concentration wear thin. Consequently one has to assess which issues are the important ones to stick to; one has to assess also whether it is worth making an issue of something when it is certain that the majority supports another point of view. I believed in such circumstances that if an important issue of principle was involved, I should state and, if necessary, have recorded my position, but otherwise I was inclined to let it go. The reason is not the waste of effort, but the possible alienation of other Board members on issues where there might be a chance of persuading them. Somewhat similar reasoning led me, as I have recorded earlier, to vote in favour of Hill as managing director.

Such reasoning can of course perilously easily become merely rationalisation for opting out and choosing a life free of unpleasantness. That, I suspect, was the motive of the Board member who, like me, expressed concern at Hill's unscheduled departure from the meeting which appointed him managing director, to appear at a press conference which he had arranged without advising the Board. When the expressions of concern, duly noted in the draft minutes, turned up at the following Board meeting, the other Board member backed off and had it deleted. In retrospect it is obvious to me that an issue should have been made on the spot of the press conference episode—that just might have avoided other problems later. Of course, as with Whitehead, there were understandable reasons for not wanting to begin a new chief executive's reign with a disagreement, for hoping desperately that things would improve, that it was an aberration. On Hill's part, the press conference manoeuvre was a clever way of establishing from the start who was free to thumb his nose at whom.

The role of staff-elected director, as I saw it, was to bring to the Board the benefit of someone with internal knowledge of the organisation, and practical knowledge of radio and television production. It was not specifically to be a representative of the causes of the staff—I was fond of saying that in my

view the advent of the position had not changed the roles of the unions in the organisation — but on the other hand it was certainly to represent to the Board working reality for those within, and to see that their position was fully taken into account.

The benefit of having an inside working knowledge was demonstrated in a considerable number of instances in my time on the Board.

One of the most notable was at my first or second meeting. Years before, the ABC had bought a large parcel of land at East Burwood in Melbourne with the objective of building a complex to house the whole Melbourne operation, radio and television. Radio Australia had already gone there. It was in my view a wholly impractical location from which to conduct radio in particular. Travelling time from there to the most frequently required locations for interviews and research would be enormous, and some outsiders would be reluctant to come so far for studio interviews. Planning in late 1983 was full ahead to begin construction on some of the major buildings. Within two months irreversible commitments might have been made.

I outlined my reservations briefly to the Board and they agreed with me immediately. Staff in Melbourne who had bought houses near the proposed new site were aggrieved, but it seems to me that the only possible decision was in accordance with the operational interests of the organisation, bearing in mind that its effect would be of indefinite duration.

The East Burwood project was stopped and we set about exploring locations close to the city. As it happened, the continuing financial pressures would have later put it under impossible strain. Radio in Melbourne is now going to be accommodated near the south bank of the Yarra. That is one of the direct results of my time on the Board for which I feel some satisfaction. It would never have happened but for the insider's appreciation of the practicalities of the previous proposal.

The scope for activity as a director extends far beyond the formal Board meetings. It is often possible to alert someone to

a problem, or something in danger of being overlooked, by a quiet word. On many occasions, of course, one does not know whether such an action made any difference to the result, but on others I know that it did. There are many instances which I could not even now reasonably reveal. An example of some importance is an occasion on which I discovered that an impeccably qualified person had been rejected out of hand from consideration for a prominent position. I was able to ensure that he was properly considered, and in fact he got the job and performed it excellently.

The other aspect of being staff-elected director of which I was made aware from time to time was the risk of being used to legitimate some course of action desired by someone in management. Staff might be told, for example, that the Board, including the staff-elected director, had unanimously approved of something, as though that were a reason why it should be accepted without question, overlooking that the Board decision had probably carried a qualification such as 'subject to appropriate consultation'. On the other hand, I was aware that my presence on the Board and my support for a decision probably did carry some force with staff; I was aware too that if I had chosen to oppose some measures at delicate moments there could have been great difficulty. I had this very much in mind in agreeing to Whitehead's restructuring proposals in May 1984, which, though I disagreed strongly with aspects of them, I thought were broadly aimed in the right direction and, more importantly, probably represented the only opportunity to make some badly needed fundamental changes.