

Friends of the ABC South Australia Inc.



5/191 Royal Parade
Parkville, Vic, 3052
Phone 03 9349 4280
Mobile 0412 685 178
Email darce@friendsoftheabc.org
April 9, 2006

Dr Ian Holland
Secretary
Senate Environment, Communications, Information Technology and the Arts
Legislation Committee.

Dear Dr Holland

I am grateful for the opportunity to make this submission on behalf of Friends of the ABC, South Australia, Incorporated. The submission has been endorsed by the President of Friends of the ABC, South Australia, Joan Laing, 41 Robsart Street, Parkside, South Australia, 5063, telephone 08 8271 0751.

Yours sincerely

Darce Cassidy
Immediate Past President
Friends of the ABC, South Australia

Submission to the Senate Environment, Communications Information Technology and the Arts Legislation Committee inquiry into the Australian Broadcasting Corporation Amendment Bill 2006.

EXECUTIVE SUMMARY

Comment on the Explanatory Memorandum.

The Explanatory Memorandum accompanying this Bill makes two key points.

- There is a risk that the people who elect the staff director of the ABC will expect him or her to place the interests of staff ahead of those of the ABC.
- The Uhrig Report found that representational appointments to boards carried a risk.

Friends of the ABC submit

- Yes, there is a potential risk that those who elect the staff director might expect him or her to give priority to the interests of staff. However the same logic, and indeed some more concrete evidence, suggests that the politicians who appointed the other directors might expect those directors to place the interests of their political party ahead of those of the ABC.
- The Uhrig Report made a generalized recommendation to the effect that there were potential problems with representational appointments to boards.

However Mr. Uhrig himself wrote in the report that the enquiry was a practical one, and that the core of the review and its conclusions stem “from the outcome of consultations with key participants”. Since neither the ABC, or any of the other bodies constituted under federal legislation that have elected directors, were consulted by Mr Uhrig, nor even mentioned in passing in his review, he is not in a position to draw conclusions about those organisations.

Moreover where Mr Uhrig referred to “representational appointments” he appeared to be describing something different to the ABC’s staff elected director, who, as the ABC Act makes clear, is not there to represent the staff. In view of the above, we suggest that the Uhrig Report has little relevance to the issue of the composition of the ABC board.

Comment on the Minister’s media release.

In announcing the Bill the Minister described the ABC’s staff elected director provision as “an anomaly amongst Australian Government agency boards”. However there are at least three other boards of agencies constituted under federal legislation where there is provision for a staff elected director.

The special nature of the ABC.

As the official historian of the ABC, Professor Ken Inglis has noted, ‘the ABC is

bound to broadcast information and opinion useful and harmful to people in public life. More particularly, the ABC accommodates criticisms, sometimes severe, of the government on which it depends for revenue, and that is bound to be a rich source of conflict. ‘

All of the major parties represented in the Australian parliament have expressed concern at the tendency of the party in office to appoint political sympathisers to the ABC Board. The position of staff elected director is the only position that is not in the gift of the party currently in power. In the absence of a more open and transparent method of appointing the other members of the ABC board, the provision for a staff elected director is an important safeguard.

Expertise.

A Senate Inquiry has shown concern that the ABC Board, taken as a whole, does not have an appropriate mix of skills. In this context it is relevant to point out that in the seventy-four years that the ABC has existed the government has only once appointed a person with broadcasting experience to the Board. He served only one term. By contrast, the ABC staff have always elected a distinguished broadcaster, even though they could have elected an administrator, an accountant or a clerk.

The track record of the staff elected directors.

All of the staff elected directors have been distinguished broadcasters. The history of their contributions shows that they have not shown an interest in narrow industrial issues such as pay and conditions, or the state of the staff canteen, but rather have focused their attention on their key responsibility under the ABC Act, namely “ to maintain the independence and integrity of the Corporation”.

Conclusion

This submission has demonstrated that

- The staff elected directors have contributed essential and expert knowledge of broadcasting to the board.
- The staff elected directors have, without exception, acted diligently to protect the independence and integrity of the ABC.
- The provision for a staff elected director adds to the diversity of the board, which would otherwise be entirely appointed by the government of the day.

Friends of the ABC (South Australia) therefore submit that the position of staff elected director should be retained.



Submission to the Senate Environment, Communications Information Technology and the Arts Legislation Committee inquiry into the Australian Broadcasting Corporation Amendment Bill 2006.

COMMENTS ON THE EXPLANATORY MEMORANDUM.

The explanatory memorandum accompanying the Bill makes two key points.

(a) There is a risk that the people who elect the staff director of the ABC will expect him or her to place the interests of staff ahead of those of the ABC.

Friends of the ABC (SA) submit that there is no more underlying tension relating to the staff-elected director than there is relating to any other director. The duties of the staff elected director under the Commonwealth Authorities and Companies Act, and the ABC Act, are exactly the same as those of the other directors. While it is possible that those who elect the staff director might expect him to her to place staff interests ahead of those of the ABC, it is equally possible that those who appointed the other directors might expect those directors to place the interests of the party in government when they were appointed ahead of those of the ABC.

(b) The Uhrig Report found that representational appointments to boards carried a risk.

The Terms of Referenceⁱ for this review requested Mr. Uhrig to focus on statutory authorities “that have critical business relationships such as: the Australian Taxation Office, Australian Competition and Consumer Commission, Australian Prudential Regulation Authority, Reserve Bank of Australia, Australian Securities and Investments Commission, Health Insurance Commission and Centrelink.

Mr. Uhrig stuck closely to the Terms of Reference, and his report indicates that the only statutory authorities that he examined were those mentioned in the Terms of Reference.

There are at least four boards established under federal legislation where there is provision for members to be elected by the staff of the relevant organisation. They are the Australian National Universityⁱⁱ, the Australian Institute of Health and Welfareⁱⁱⁱ, The Australian Film, Television and Radio School^{iv} and the Australian Broadcasting Corporation. However none of the relevant acts state that the elected directors are to represent the staff. There is a difference between a “representational director”, for example a director of a statutory authority

appointed to represent the appropriate minister, and a director who is elected by the staff, or by the undergraduates, who is required at all times to act in the best interests of the organisation.

In the 133 pages of the Uhrig report there is no mention of any of these four organisations. Appendix D of his report, which lists relevant correspondence, indicates there was no correspondence with any of them. Appendix E, the bibliography, shows no reference to any of these bodies.

There are at least two bodies established under federal legislation where there is provision for the appointment of directors nominated by stakeholders other than staff.

The Rural Industries Research and Development Corporation (RIRDC) is a statutory Corporation formed in July 1990 under the Primary Industries and Energy Research Development Act. According to the latest Annual Report of the RIRDC the Minister directly appoints the Chairperson and the Government director, while another six directors are nominated by a selection committee established by the Minister in consultation with the National Farmers Federation and the Australian Chicken Meat Federation. It was set up by the Commonwealth Government to work closely with Australian rural industries on the organisation and funding of their R&D needs.

The Fishing Industry Research and Development Corporation (FIRDC) operates in a similar manner, with six directors being nominated by a selection committee consisting of stakeholder organisations concerned with the fishing industry. In March 2003 the government advertised in *The Australian* seeking expressions of interest from people interested in serving on the FIRDC.

The Uhrig report ignores both of these organisations as well.

Mr. Uhrig describes the process involved in his report as follows:

The review took a practical rather than theoretical approach....The core of the review and its conclusions, however, stem from the outcome of consultations with key participants...^v

Given that the review was practical rather than theoretical, and its conclusions were based on consultations with key participants, the failure to consult with, or otherwise consider relevant organisations with staff elected directors, the *Uhrig Report* has no basis for making comments about the composition of the ABC board. Indeed, it appears that when Mr. Uhrig was discussing "representational directors" he was referring to directors appointed to represent the Minister. The relevant legislation makes it quite clear that directors elected by the ABC staff do not represent the staff, and have exactly the same obligations as all other directors.

THE MINISTER'S MEDIA RELEASE

In a media release announcing the government's decision to abolish the staff elected director, the Minister claimed that this position represented "an anomaly amongst Australian Government agency boards"^{vi}

There are at least three other provisions in federal legislation for staff elected directors. One of them, the Australian Film, Radio and Television School, is also in the Minister's portfolio. The staff elected director of the AFTRS is Mr. Andy Nehl, a former ABC manager and the son of a former National Party M.P.

In the case of the ANU and the AFTRS there is also provision for the election of directors by students. In the case of two primary industry research and development organisations federal legislation provides for directors to be appointed following the nomination of a committee comprising industry representatives.

While most universities, apart from the ANU, operate under State legislation, nearly every Australian university, some 38 in all, has a staff elected member of its governing body. For example Melbourne University's governing body has three members elected by staff and two elected by students, while Sydney University has five members elected by staff and two by the students.

Provisions for staff elected directors are not peculiar to Australia. Both Oxford^{vii} and Cambridge^{viii} universities have a significant percentage of their governing bodies elected by staff.

Nor is the practice confined to the public sector, or to educational institutions. For example the Board of the Swedish Institute of Computer Science is jointly owned by the Swedish government and Swedish industry. It includes representatives from Swedish based multinationals including Saab and Ericsson, and also has a provision for a staff elected director.^{ix}

THE SPECIAL NATURE OF THE ABC

As the official historian of the ABC, Professor Ken Inglis has noted, 'the ABC is bound to broadcast information and opinion useful and harmful to people in public life. More particularly, the ABC accommodates criticisms, sometimes severe, of the government on which it depends for revenue, and that is bound to be a rich source of conflict.'^x

All of the major parties represented in the Australian parliament have expressed concern at the tendency of the party in office to appoint political sympathisers to the ABC board.

I have already commented on the stacked nature of the board, which at one stage saw six out of nine members with past or present ALP affiliations.

Senator Richard Alston, Senate Hansard, 30 March 1995.

For 10 years the government has tried to stack the ABC board with its political mates to try to control the ABC. People like Michael Kroger, Ron Brunton and Janet Albrechtsen have been dispatched to the board with orders to bring the ABC to heel.

Senator Stephen Conroy, Senate Hansard, 28 March 2006.

For nearly two decades, governments from both major parties have placed their mates at the helm of the ABC. We think it's time to stop this practice.
Media release issued by Senator Vicki Bourne, 31 May 2001.

The Government appointing their political mates to the board was an expensive and damaging failure. When Michael Kroger was on the board he did his best to sell ABC online, the arm of the ABC with the most future growth ahead..... The Greens propose basing the ABC Board on the British model. ABC board members would be appointed by an Office of the Commissioner of Public Appointments. All vacancies should be publicly advertised.

Mithra Cox, Greens Candidate for Wentworth, Speech to Friends of the ABC, 11 July 2004.

In Australia, apart from our commercial companies (where boards exist principally to protect the shareholders' interests), many cultural and educational organisations are governed by boards operating at arms length from government. This system needs to be retained both with educational bodies and the ABC because of their key role in opinion formation. Without these safeguards there is a serious risk of active government interference in the transmittal of knowledge and opinion, and the possible hiding or distortion of the truth. If the governing bodies of the ABC or the ANU are not separated from government, what is the point of having such a body? Would it not be simpler for the ABC and the ANU to be run directly by a minister as government departments?

The position of staff elected director is the only position that is not in the gift of the party currently in office. In the absence of a more open and transparent method of appointing the other members of the ABC Board, the provision for a Staff Elected director is a critical safeguard.

THE RELEVANT EXPERTISE OF ABC BOARD MEMBERS

In the seventy-four years that the ABC has existed the government has only once appointed a person with broadcasting experience to the ABC Board. Robert Raymond, a distinguished television producer for both the ABC and Channel 9, served only one term.

By contrast the ABC staff have always elected a broadcaster, when they could have elected a clerk, an accountant, or a technician. Without the staff elected

director the ABC would have spent seventy-one of its seventy-four years without anyone with broadcasting experience on its board.

The staff elected directors have not been lightweights. Every one of them has been a distinguished broadcaster. Appendix 3 has brief biographies of the staff elected directors.

When it comes to the other directors, governments seem to have given more attention to representation from the various states than to having an appropriate mix of skills. This is not to suggest that many members of the ABC board have not been well qualified as individuals, many of them clearly have, but rather that there has been no evidence of a systematic effort to select an appropriate mix of skills for running a national public broadcaster.

The Senate Select Committee on ABC Management and Operations expressed a similar concern. The committee, under the chairmanship of Senator Richard Alston wrote in its report:

The current ABC is required to make decisions with long-term implications in a time of overwhelmingly rapid transformation of broadcasting technology. The Board's task may have been made more difficult by the fact that many of its members have little specialist knowledge of either the broadcasting industry or the new technologies. Without such expertise, it is inevitable that a part-time board will be essentially reactive to senior management suggestions and initiatives, and will have difficulty in setting a vision other than in the most general terms, for the future direction of the organisation. The Committee believes that the Board as a whole lacks the range of depth of skills and experience which would be necessary to provide adequate leadership for the ABC.^{xi}

THE TRACK RECORD OF THE STAFF ELECTED DIRECTORS

The history of the actions of the staff elected directors indicates that they have not focused narrow industrial issues such as pay and conditions, or the state of the staff canteen, but rather have focused their attention on their key responsibility under the ABC Act, namely “to maintain the independence and integrity of the Corporation”

Tom Molomby served on the ABC board between 1983 and 1987.

Just sign here.

Within a couple of months of Molomby's appointment he was involved, with fellow director Robert Raymond, in saving the ABC from considerable embarrassment due to the sloppy work of ABC staff. Raymond describes^{xii} how early in 1984, he was asked, as Acting Chairman of the ABC to sign what ABC management described as “an important financial document”. He was told that the Acting Chairman and one other director could sign the document on behalf of

the board. Raymond wrote “I was therefore suspicious of this sudden emergence of an ‘urgent’ proposition, (and not at all flattered by the apparent belief in Broadcast House that I would sign anything put in front of me)” Raymond arranged to meet urgently with ABC management, together with Tom Molomby, the only other board member available at short notice. Raymond continued

Molomby and I wondered – but not for long- why management had waited while the chairman and deputy chair were unavailable before producing our ‘new policy proposal’ . When we read what was proposed to go to Canberra in the board’s name we were appalled. It was very sloppily prepared and would have brought down justifiable criticism on the board. One example of carelessness (among many) that we picked up concerned the costing of some new electronic cameras and editing suites for the news, plus the fifty-four extra staff who would use them. No provision had been made for the maintenance staff to service the equipment, or for office space to accommodated all the new personnel.

Raymond and Molomby discovered that the ABC had been notified of the deadline for the new policy proposal during the previous board meeting, but ABC staff had not informed the board. Raymond and Molomby refused to sign the document as submitted, but contacted the Secretary of the Department of Communications who readily agreed to an extension of time to allow the issue to go before the full board.

Pressure from the Papua New Guinea government.

Both Raymond and Molomby^{xiii} have written how they acted, together with other members of the ABC board, but against the wishes of ABC senior staff, to protect the ABC from interference in its internal affairs by a foreign government.

According to Raymond’s account *Four Corners* reporter Alan Hogan had been filming a story in Papua New Guinea about the independence movement in the neighboring Indonesian state of Irian Jaya.

Hogan, after visiting camps holding Irian Jayan refugees just inside the PNG border, made it known that he was going to interview Joseph Nyaro, leader of the independence movement. The PNG government warned Hogan not to encourage Nyaro to cross the frontier or interview him on PNG territory, for fear of offending the Indonesian government.

Hogan cam back to Sydney with a brief interview with Nyaro, but it was not made clear where he had done it. When the PNG government found out about the interview they complained to the Department of Foreign Affairs in Canberra, whence a polite but meaningful telex was sent to Broadcast House. A few days later the PNG foreign minister contacted the ABC directly, insisting that the interview not be shown. Otherwise he threatened, our long-time correspondent in PNG, Sean Dorney, would be

expelled.

The acting managing director, Stuart Revill, instructed that Hogan's interview not be used. This became headline news in the media. Both Molomby and Raymond wrote in their books that they saw this as an issue affecting the independence of the corporation, and in Molomby's words "because it involved whether we should allow threats to influence the content of our programs". When the board finally met to discuss the issue a majority agreed with Raymond and Molomby, and the ban on the interview was overturned. The interview was broadcast despite, as Molomby reported, a threat by Managing Director Geoffrey Whitehead to resign, and a threat by another senior member of the ABC staff to withdraw his application for a senior position.

Broadcasting from the back blocks.

Molomby took action at his first or second meeting of the ABC board to oppose the views of the ABC Staff Union on the location of the ABC's building in Melbourne.

Years before the ABC had acquired a large parcel of land in the then outer suburb of East Burwood. Radio Australia had been moved there already, and there were plans to locate the entire ABC there.

This move was enthusiastically supported by most ABC staff, because many staff lived near there. East Burwood was at the time, said to be the demographic centre of Melbourne. The Victorian branch of the ABC Staff Union supported the East Burwood plans.

Molomby wrote in his book:

It was in my view a wholly impractical location from which to conduct radio in particular. Traveling 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.....

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.

Molomby's understanding of the operational requirements of the ABC, and his foresight, saved the ABC from a serious mistake. Subsequently the ABC's Melbourne operations were consolidated at Southbank in the city, while the relatively remote Gore Hill site on Sydney's North Shore was abandoned in favour of the Ultimo site near the CBD.

Quentin Dempster served on the ABC board between 1992 and 1996 .

He gave evidence critical of ABC management failure to take adequate safeguards against commercial influence detrimental to the independence of the ABC to the Senate Select Committee on ABC Management and Operations. His contribution is quoted with approval in the Senate Select Committee's report signed by the committee chairman, Senator Richard Alston.

Kirsten Garrett served on the ABC board between 1996 and 2000.

She expressed concern that the proposed sale of ABC program output to Telstra broadband would adversely affect the independence of the ABC. She gave evidence *in camera* to the Senate Inquiry into ABC Online, presumably because some of the information available to ABC board members was commercial-in-confidence.

A transcript of her discussion of the issue on A.M. is attached as Appendix 2. This demonstrates her respect for the appropriate level of board confidentiality consistent with her duty to defend the independence of the ABC. Significantly the sale of ABC content to Telstra did not proceed.

Ramona Koval is the current staff elected director of the ABC. An article she wrote for The Age dealing with her role is attached as Appendix 1.

Conclusion

This submission has demonstrated that

- The staff elected directors have contributed essential and expert knowledge of broadcasting to the board.
- The staff elected directors have, without exception, acted diligently to protect the independence and integrity of the ABC.
- The provision for a staff elected director adds to the diversity of the board, which would otherwise be entirely appointed by the government of the day.

Friends of the ABC (South Australia) therefore submit that the position of staff elected director should be retained.

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http://www.finance.gov.au/governancestructures/docs/The_Uhrig_Report_July_2003.pdf

ii Australian National University Act 1991

iii <http://www.aihw.gov.au/publications/aus/ar03-04/ar03-04-x03.pdf>

iv

[http://www.comlaw.gov.au/ComLaw/Legislation/ActCompilation1.nsf/0/E90CC3744223F910CA256F71004DAE5C/\\$file/AusFilmTelRadSch73.pdf](http://www.comlaw.gov.au/ComLaw/Legislation/ActCompilation1.nsf/0/E90CC3744223F910CA256F71004DAE5C/$file/AusFilmTelRadSch73.pdf)

v

http://www.finance.gov.au/governancestructures/docs/The_Uhrig_Report_July_2003.pdf

vi Media release 24 March 2006

vii <http://www.admin.ox.ac.uk/statutes/783-121.shtml>

viii <http://www.cam.ac.uk/cambuniv/pubs/works/council.html>

ix <http://www.sics.se/sicsinfo/ar/04/SICS-AR2004.pdf>

x

<http://www.artshub.com.au/ahau1/news/news.asp?expand=true&id=59570&ct=feature>

xi Our ABC: Report of the Senate Select Committee on ABC Management and Operations, 1995

xii Raymond. R., *Out of the Box*, Seaview Press, 1999

xiii Molomby, T, *Is there a Moderate on the Roof*, Heinemann, Melbourne, 1991

Appendix 1.

A staff director is essential to protect the ABC's independence

The Age March 29, 2006

By Ramona Koval

WHEN Communications Minister Helen Coonan announced her intention to introduce legislation to amend the ABC Act and abolish the position of staff-elected director on the ABC board, she cited claims that the position created uncertainty about accountability.

Contrary to the minister's view, there has never been uncertainty about this position. All directors are obliged to act independently, in the best interests of the ABC. Only the method of our appointment differs. I am elected by the staff. All the other board members have been picked by the Government, except the managing director, who has been picked by the board.

I am the only director independent of the government.

The election of a staff director means that at least one member of the board brings expertise in journalism, broadcasting and a working knowledge of the role and functions of the public broadcaster and its importance in the cultural life of the country.

Since the creation of the corporation in 1984, the staff-elected director has provided balance to party-political stacking of the board. Previous incumbents have also been publicly engaged in defending the role and independence of the ABC and making sure that its obligations under the charter were upheld. The position has evolved as a vital structural element in the protection of the ABC's strategic and editorial independence. The staff-elected director raised concerns in the early 1990s about the ABC's proposed commercial partnership with Fairfax and Cox (US) in pay TV in Australia.

In 1995, the then staff-elected director, Quentin Dempster, (backed by staff) assisted the Senate in its inquiries exposing breaches of the ABC Act through backdoor sponsorship, a point acknowledged at the time by Coonan's predecessor, Richard Alston, in his Senate report *Our ABC*.

In 2000, then staff-elected director Kirsten Garrett debated the provision of the ABC's programming output to Telstra's broadband portals. Had the ABC entered into such a partnership with Telstra, we may now have been in even greater financial difficulties.

In October 2002, I informed the chairman of my unwillingness to support a number of proposals in the *Board Directors Handbook*, a document not binding under law and which serves as a gentleman's agreement. I assured the chairman and the board that I fully intended to act in accordance with my legal obligations under the Corporations Law and the ABC Act.

Among other problems, the document attempted to make the actions of individual directors subject to approval by the chairman or the majority of the board. This is contrary to the requirement that directors act at all times independently and in good faith.

Since 2002, I have made 11 reports to staff while I have been a member of the board. Each is prefaced with a statement about legal limitations on my ability to discuss many matters. As well as containing a summary of the issues I took to the board, they contained a summary of my views about board decisions.

I have never breached confidentiality in this role. I have simply raised concerns about the potential for political interference. Board governance was at the heart of the matter that led to the resignation of Maurice Newman in 2004, when managing director Russell Balding decided to contract out monitoring of the ABC's news and current affairs coverage in a non-election period without his seeking a formal resolution of the board.

The minister's intervention in acting to abolish the staff-elected director position while an Australian Electoral Commission election is under way reveals the urgency of the Government's desire to control the ABC.

It is my sincere concern that the pressure on the ABC to conform to the Government's political agenda will only intensify in the coming months. This is a time of great uncertainty for the organisation as it searches for a new managing director and awaits the Government's latest political manoeuvre in appointing a new chairman or perhaps extending the present chairman's appointment.

Coonan's announcement also mentions concerns about conflicts of interest and the effective functioning of the ABC Board. The board has functioned perfectly well in the four years since I first declined to be a part of the cosy club that presumably stands for modern principles of governance.

The Government would like there to be no conflict of interest at all between the ABC board and the Government. With the staff-elected director removed, this will place the Government in a position more like that of Silvio Berlusconi, who has his own TV stations as well as holding the state-owned media in his hands. Is this really what Australians want?

Ramona Koval is the staff-elected member on the ABC board.

Appendix 2. AM Archive - Saturday, 5 February, 2000 00:00:00

Reporter: Elizabeth Jackson

ELIZABETH JACKSON: Well, Kirsten Garrett is the staff elected director on the ABC board, and she joins us now.

Kirsten, what do you know of this deal?

KIRSTEN GARRETT: Well, I haven't read the papers, and the documents are confidential. But of course I know about it. I'm on the board of the ABC.

ELIZABETH JACKSON: All right. Can you describe for us what the deal would involve - I mean, what sort of material from the ABC would end up in the hands of Telstra?

KIRSTEN GARRETT: No I can't go into any details of the deal itself. It's commercial-in-confidence, and board discussions are confidential. But I can respond to what you say is in the papers, and I can say that in my belief this raised very important fundamental issues about the ABC and public broadcasting. It concerns the future of the ABC in this climate and how it gets its money. We've got to remember that the new technologies are only that - they're only [inaudible] and delivery system. But everybody needs content. And the ABC has very high quality independent content. It has a priceless logo and brand - that's the word you use these days - and nothing must corrode that, must begin to get the wedge in the door to prise that out of us. Newspapers - the newspapers apparently talk of revenue from ads over Telstra. That's a huge issue. And what influence and access Telstra get in return for their sixty-seven million. That has to be another huge issue. The most important thing is editorial control of past, present and future content. And I think that should be out for public discussion.

ELIZABETH JACKSON: Has this deal been initiated by Telstra or by the ABC?

KIRSTEN GARRETT: I don't - I'm not able to discuss that.

ELIZABETH JACKSON: Does the deal in any way contradict the ABC charter as far as you're aware?

KIRSTEN GARRETT: That's one of the things that, you know, I think needs public discussion. There are all sorts of things that might be legally okay, but then you've also got to look at the spirit of it.

ELIZABETH JACKSON: It's interesting that you mention public discussion, because of course there hasn't been any. And it appears as though this deal has progressed considerably. Is it appropriate in your view for the national

broadcaster to be considering such a substantial change without any public debate? This has all been done in secrecy.

KIRSTEN GARRETT: In my opinion it's not appropriate. But, of course, once you start getting into any important deals with any commercial partner, then everything becomes commercial-in-confidence. I think that in itself has huge dangers for an organisation that is publicly accountable.

ELIZABETH JACKSON: Now, you've raised some concerns. So I assume that to some extent you have been fighting this. Can you confirm that?

KIRSTEN GARRETT: Um, I can confirm that there have been a lot of vigorous discussions at the board, and I don't see why I can't publicly say what my opinion is. I've certainly been asking a great many what I consider very important questions.

ELIZABETH JACKSON: Have you been a lone voice on the board fighting this?

KIRSTEN GARRETT: I can't discuss that.

ELIZABETH JACKSON: Let's talk a little bit more about the concerns that you have. You mentioned the whole area of the ABC benefiting from Telstra's advertising revenue. Of course this has been very topical conversation for the ABC recently. What - what are your real concerns about that issue?

KIRSTEN GARRETT: Well, gosh - the advertising issue and revenue from advertising has been argued over and over again, probably for 20 if not 50 years, and time and time and time again the parliament, the legislation and the public and indeed people concerned with the ABC say no - definitely no. But, you know, there are ways and means of it arriving in other forms. It's been argued for example that we sell mother and son or other content to other broadcasters, other ways of delivering the stuff, and they put ads around it. That's one thing. You know, the chicken can lay an egg and it can go into anybody's house. It's another thing who's in the chicken house helping to make the egg. It gets very complicated, and people will argue it in different ways that suit them.

ELIZABETH JACKSON: Kirsten Garrett we will leave it there. Thank you very much for joining us.

KIRSTEN GARRETT: Thank you.

ELIZABETH JACKSON: Kirsten Garrett, the staff elected director on the ABC board.

Appendix 3. Staff elected directors of the ABC

Marius Webb.

The first person elected to the governing body of the ABC (then the Commission rather than the Corporation.) Marius Webb was an innovative producer and presenter and co-founder of the ABC's ground breaking youth station, which grew, under his continuing involvement into the national youth network Triple J. Webb served as Project Manager for the transition to the national network and occupied other senior positions in the ABC including Controller of Human Resources (Radio).

Tom Molomby, SC.

The first staff elected director of the new Australian Broadcasting Corporation established in 1983, Tom Molomby served on the ABC board during a major re-organisation of the corporation. With a background in the flagship television current affairs programs *Four Corners* and *This Day Tonight* went on to become the founding producer and presenter of *The Law Report*, which still runs on Radio National. He is the author of four books on legal issues as well as *Is There a Moderate on the Roof*, an account of his time as a director of the ABC. Since leaving the ABC he has practiced as a barrister while continuing as a writer.

Quentin Dempster, AO.

One of Australia's leading investigative journalists joined the ABC in 1984. In 1986 he wrote and produced *The Sunshine System*, a highly acclaimed documentary on institutional corruption in Queensland.

In 1995 he headed a national investigative unit for ***The 7.30 Report*** and exposed unsafe practices in offshore petroleum operations, a fuel spill at BHP Manganese Groote Eylandt facility, the Moura mine disaster and the use of tax havens by major Australian Corporations.

He is the author of three books, *Honest Cops* (1992 ABC Book) *Whistleblowers* (1997 ABC Books) and *Death Struggle* ((2000 Allen and Unwin).

John Cleary

The presenter of Sunday Nights on ABC Local Radio Cleary as been described as 'one of Australia's leading commentators on religious affairs. He is a member of the ABC's specialist Religion unit and is often heard as commentator on religious affairs on ABC radio and television. In 1994 his book on the Salvation Army in Australia, *Salvos*, was awarded Australian Religious Book of the Year.

Kirsten Garrett.

As Executive Producer of *Background Briefing*, ABC radio's flagship program of investigative journalism Kirsten Garrett won a Walkey Award in 1996 for a program she produced on BHP's activities in New Guinea.

Ian Henschke.

Starting as an education producer in Brisbane Ian Henschke has worked on a range of rural and current affairs programs in four states. He presents the weekly current affairs TV program *Stateline* in South Australia.

He was the Telstra Rural Journalist of the Year in 1988, won the Banksia Award for Environmental Journalism in 1999 and in the same year was the inaugural Reuter Foundation Fellow at Oxford University, a joint initiative of the ABC and the British government.

Ramona Koval.

Ramona Koval is a freelance columnist and feature writer for newspapers and is the author of one novel and three books of non-fiction. She presents the Book Program five days a week on ABC Radio National. The new edition of her book *Jewish Cooking*, *Jewish Cooks* was published in March 2002 and has been sold to the UK.

Ms Koval is currently on the board of *Australian Book Review*, and on the Victorian Premier's Literary Award Advisory Committee and the Asialink Awards Literary Committee. She has judged the radio section of the Walkley Awards twice, and been a judge of non-fiction of the Victorian Premiers Literary Awards twice, once as chair of the committee. Her interviews are regularly published in transcript in *Australian Book Review*, *Meanjin*, and on the Web.

For the last two years she has been invited to conduct public interviews at the Edinburgh International Book Festival in front of sell-out audiences with major international writers. She has recorded these and other interviews, lectures and debates at these events, and has provided Radio National with many high quality programs that would have been otherwise unavailable. She took a digital video camera to Edinburgh in 2000 and recorded two of her interview sessions, which were made available through the ABC Online Arts Site, The Space. She has performed at all Australian Literary Festivals – Adelaide, Melbourne, Sydney, Perth, Brisbane and Byron Bay.