

## ABC Board Chair over-reaches in a bid to appease hostile government

Written by Andrew Linden, Sessional Lecturer, PhD (Management) Candidate, School of Management, RMIT University

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Reports of the contents of [leaked emails](#) written by ABC Board Chair Justin Milne provide a powerful insight into how governments of the day can exert influence over what parliament had intended to be an independent agency.

The emails have emerged in the wake of the [ABC board's termination](#) of ABC managing director, Michelle Guthrie.

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**Read more:** [Government sets up inquiry into embattled ABC chairman's email](#)

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Milne is correct in asserting that the ABC Act [requires the board](#) “to independently govern the Corporation, protect its best interests, ensure that it is well funded, well managed and that our content is of the highest standards”.

But it doesn't operate in exactly the same way as other corporate boards.

### The ABC board is different

For example in most corporations, commercial or otherwise, boards exercise control over management by using specific delegations and determining corporate policy.

Boards also appoint the chief executive and in some instances other members of the management group.

However that's not the case for the ABC.

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The ABC Act provides that on advice of the prime minister and communications minister respectively the governor general appoints both the chair and managing director.

### **Partly non-political**

The Act bars former members of parliament and senior political staffers (for a time) from being appointed to either position.

Appointments to all other ABC board positions, including the chair, must follow [a merit-based process](#) with candidates interviewed in a process that the government does not control.

But that requirement does not apply to the managing director, potentially giving the government of the day the unusual ability to reach inside the organisation to appoint the most senior executive.

### **And partly political**

This is highly problematic because of real (but usually latent) potential that a managing director might arrive with an agenda to undermine the board's statutory role and parliamentary-determined Charter to be an independent public broadcaster.

The potential conflict is more acute because at the ABC the managing director is designated in the Act as the editor-in-chief.

Because the managing director is responsible for content, the reported instances of the Chair pressuring the managing director to remove individual journalists and approaching ABC editorial staff are inappropriate.

### **Setting the scene for conflict**

The Act sets up a conflict between most of the ABC directors (who essentially have a trustee role) and the allegiances and agendas of a managing director who might be a non-merit based political appointee.

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Governments used to avoid this conflict by sticking to the public service tradition of appointing technocrats. It has been customary for the ABC board to run the recruitment process for the managing director and then for the board to recommend the successful candidate to the government.

But over time perceptions about the appointment have become increasingly politicised.

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As Marco Bass, ex head of ABC news and current affairs Victoria [has written](#) , the temptation to control the news is becoming harder to resist:

What [Guthrie and Shier] shared was an implicit brief to disrupt the ABC, dismantle internal fiefdoms and, importantly, bring the news and current affairs division under control.

Make no mistake, federal governments, regardless of political complexion, don't care about Peppa Pig. They care about political coverage by the ABC's journalists and broadcasters.

These idiosyncratic governance rules amplify flaws in the design of boards on which both executives and non executives sit.

## Other boards have similar problems

As I and colleagues [have written previously](#) , mixing executive and non-executive directors on a single board creates governance problems.

On corporate boards managers who are also directors can (and usually do) position themselves as very powerful gate keepers and dominate both other directors and senior executives.

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This was a problem at the Commonwealth Bank and from some reports was becoming a problem at the ABC.

If a government can use the idiosyncrasies of the the ABC Act to cower a much-loved and very public institution like the ABC, imagine how pliable agencies like APRA, ASIC and ACCC might be in accommodating the views of a government who might not want to deal with the political fallout of, for example, tough but necessary decisions such as [cancelling banking or superannuation licences](#).

*Andrew Linden received funding from RMITs EU Centre to conduct his doctoral research. The Centre is funded by the European Union.*

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