

## CHAPTER 5

### ACCOUNTABILITY OF THE ABC TO THE PARLIAMENT AND ITS COMMITTEES

5.1 This Committee has always maintained that statutory authorities, being created by Parliament, are fully accountable to the Parliament. The ABC, although required to operate in a highly competitive field, receives practically all its revenue from the Commonwealth Budget. The ABC must therefore expect, and respond to, the same degree of scrutiny as any Commonwealth statutory authority and be prepared to report fully on its operations whether to Estimates Committees or to a committee such as Finance and Government Operations.

5.2 The ABC has been reminded of this obligation by the Senate on two occasions and by the Dix Committee. The actions of the ABC prompted the debate and affirmation by the Senate of the statement of principle regarding accountability for expenditure by statutory authorities to the Parliament. In 1971, the Minister responsible for the ABC declined to answer questions concerning television sporting broadcasting put to the ABC by Estimates Committee C.<sup>1</sup> In 1984, the ABC failed to inform Estimates Committee B of major organisational changes it had undertaken.<sup>2</sup> The statement read:

That whilst it may be argued that Statutory Authorities are not accountable through the responsible Minister of State to Parliament for day-to-day operations, they may be called to account by Parliament itself at any time and that there are no areas of expenditure of public funds where these corporations have a discretion to withhold details or explanations from Parliament or its Committees unless the Parliament has expressly provided otherwise.<sup>3</sup>

5.3 The 1981 Report by the Committee of Review of the ABC (the Dix Report) also made reference to the accountability of the ABC to Parliament. Paragraph 49 of the Report read:

The ABC will always be dependent on Government in that it receives practically all of its income from parliamentary appropriation. We support this method of funding the organisation since it safeguards it in many ways from the potential influence of sectional interests. Funding by parliamentary appropriation must be accompanied by a variety of administrative controls. Compliance with these controls is irksome, but we cannot agree with those who believe that the ABC's independence and integrity are threatened each time it is obliged to have a relationship with other government bodies. Precisely because it is largely dependent on the public purse for its income, the ABC must be financially accountable in ways in which its commercial competitors are not.<sup>4</sup>

5.4 The problems of accountability that are raised by this inquiry unfortunately reflect recurring and apparently persistent problems that the Parliament, and the Senate Estimates Committees in particular, have experienced in obtaining full and accurate information on the administration and financial management of the ABC. There appears to have been little improvement in this situation since the enactment of the Australian Broadcasting Corporation Act in 1983. The Committee has noted, with disappointment, that two recent reports to the Senate, from the Standing Committee on Education and the Arts, and from Estimates Committee C, have drawn attention to the ABC's inability to comply with these basic standards of accountability expected by the Parliament.<sup>5</sup>

5.5 The ABC's continued difficulties before Estimates Committees are of particular concern. As government becomes more complex and the number and scope of government activities

increase, the Parliament must use all avenues available to it to ensure that public monies are being properly expended, to gather information about government activities and to ensure the accountability of government to the Parliament. One of the avenues available to the Parliament for this purpose is the Senate Estimates Committee system. The twice a year hearings of Estimates Committees provide the Senate with regular access to Senate Ministers, public servants and officers of statutory authorities. Estimates Committees can, and do, seek information on any matter connected with money which departments and authorities are seeking from the Parliament.

5.6 While the Committee understands the difficulties that may be experienced when Estimates Committees request information on confidential matters, because of restrictions imposed by the Standing Orders, it remains a general principle that information cannot and should not be withheld from the Parliament or its committees by an authority, unless a specific provision to that effect is contained in an authority's enabling legislation. The Committee believes that it is appropriate to reproduce the opinion received by the Standing Committee on Education and the Arts from the Attorney-General's Department concerning the position of the statutory authorities and scrutiny by the Parliament:

... it is, in my view, abundantly clear that statutory provisions freeing an authority from day to day ministerial direction in no way put that authority beyond the reach of parliamentary scrutiny, particularly in the context of a parliamentary inquiry into the administration and execution of that authority's constituting legislation.<sup>6</sup>

5.7 As a final matter concerning the access to information by Parliament and its Committees, the Committee believes that although no information should be kept from the Parliament, committees should treat claims of confidentiality with

discretion. Most committees, except of course Estimates Committees, are able to receive information 'in camera'. This mechanism is not intended to keep valuable information from parliamentary and public scrutiny, but is intended to ensure that confidential information may remain confidential in those cases in which it can be justified. The Committee also believes that parliamentary committees should ensure that their powers to gain information are not used capriciously. Committees should not be used for 'fishing expeditions' but, in order to maintain the integrity of and respect for committees, all committee requests should be based on a genuine need for information.

5.8 The ABC has told the Committee that no information sought by a parliamentary committee relating to its administration, financial management or expenditure will, in future, be refused. This approach is to be welcomed and is one which should also be observed by other statutory authorities. The Committee expects that the ABC will give careful consideration to this Report, and take steps to ensure that its administration of contract employment and the Parliament's knowledge of it, is improved.

#### ENDNOTES

1. Australia, Senate, Debates 1971, vol. s. 50, pp. 2303-2323.
2. Australia, Senate, Debates 1984, vol. s. 103, p. 2212.
3. Australia, Senate, Debates 1984, vol. s. 103, p. 2212.
4. Committee of Review of the Australian Broadcasting Commission (Dix Committee), The ABC in Review: National Broadcasting in the 1980's, AGPS, Canberra, 1981.
5. Australia, Parliament, Particulars of Proposed Expenditure in respect of the year ending 30 June 1987: Report from Senate Estimates Committee C (Senator Childs, Chairman), Canberra, 1986.  
  
Australia, Parliament, Examination of Annual Reports, The ABC's Radio Racing Service in Queensland: Seventh Report from the Senate Standing Committee on Education and the Arts (Senator Mal Colston, Chairman), Canberra, 1986.
6. *ibid.*, p. 65.

