

25 June 2024

**Accountability****There is a lot to unpack...****ACCOUNTABILITY** - On Boards and Management

It is generally understood that “Boards” set policy and “Management” executes that policy. Boards set up review mechanisms to ensure policy is being carried out, and management reports to the Board on progress. That report can not only advise on progress, but whether the policy is in fact executable in the light of a volatile environment. In other words, if the strategy is not working, then it is time to change the strategy.

Such a conversation needs to be open, and honest, direct, fearless even. Companies have a far greater chance of success when these conversations are constructive, proactive, and recognise the difference between objectives and strategy. It is that much harder for a company to succeed when such conversations are rigid, secretive, destructive, e.g. hierarchical.

Management is responsible to the Board – the Board answers to its shareholders. Both sides must work from their base to make the relationship constructive, and to do that good communication between them is vital.

So, what happens when things go wrong? For starters, flexibility is important. If it is a failure of strategy, change the strategy, if it is a failure of communication, fix it, if it is a failure of execution, change the management team, if it is a failure of policy, change the Board. Because....if the problem is not fixed, then the organisation is doomed to fail.

And yet, so many management systems are so rigid. Doubling down, personal loyalties, egos, all play a part. However, a failure to admit failure so often leads to a bigger failure. Save one but lose the lot.

It is, or should be, all about accountability.

I raise this matter in this way because this paradigm also holds true in the public sector environment - for Board read Cabinet, for management read department or agency, for shareholder read electorate.

Let's look at some recent examples:

**Federally****Robodebt**

It took a Royal Commission to flush out the failure of policy and the failure of execution. It could have been resolved much earlier by admitting the policy was a failure. But no, that did not happen. The Commissioner stated *inter alia* that the scheme was an “extraordinary saga of venality, incompetence and cowardice”. Strong words indeed.

By not fixing the problem sooner, Ministers had their reputations destroyed, and the Head of Department was moved sideways (why?) before her position became untenable.

Six references of potentially corrupt conduct were made by the Royal Commissioner to the National Anti-Corruption Commission (NACC) for further consideration.

So, what did the NACC do? It has advised it did not see the point in further considering the matters put before it, as it would not provide any redress for those who suffered. But surely, that is not the point. Accountability is the point.

Now, the independent NACC Inspector has launched an Inquiry into the NACC. More trauma in store.

### **Immigration**

Direction 99 was brought into being to cover the situation where people (not citizens) could appeal against their visa being refused because of their longevity in and ties to the country. It was done with New Zealand in mind. However the consequences have been extraordinary, and people who have been in detention awaiting deportation have been freed from detention under this Direction.

The Minister, having the problem exposed to him, first doubled down on the policy, noting that the same thing had happened under the previous government, that drones were in the air following people, and then when things got really bad, turned around and blamed his department. Pathetic!

Finally, a new Direction, Direction 110, has been brought into being stating that the safety of Australian citizens had a higher priority. Good. But for some reason, for the period of a fortnight, cases were still being heard under Direction 99, and people released under that Direction. Now, they will need to be heard again, this time under Direction 110. How crazy is that!

During this period the Department head acknowledged that certain information was not being passed on to the Minister. Accountability? The Minister still has his job, and the department head still has hers.

### **NDIS**

According to the Minister, the NDIS is riddled with rorts. The Minister says the days of rorts are "over". Really! But, how did it get to this? and how is it going to be fixed? On these matters, silence.

Millions of dollars have been spent and yet compliance systems apparently are virtually non-existent. "The system is complex", a spokesperson said. Then simplify it. If the policy is OK then the expression of that policy is a shambles. Accountability? Everyone still has their jobs.

### **Power**

The federal government has decided on a program of converting the power grid from a thermal-based supply to a renewables-based supply. Thermal has been demonized, (although coal and gas are still being exported), while promises of power price falls have now become a statement that the reduction has been in power price rises, and a warning from the AEMO that blackouts are on the cards.

How did it come to this? A wing and a prayer, that's how. Rushing into it without proper planning, and hoping the gods might smile benignly upon us. Well, they are not.

Accountability? The Minister remains in his position and condemns all who dare criticize his messianic view of the world.

Any one of these issues could bring down the government, because there has been NO ACCOUNTABILITY for what has happened. Together, they are an indictment.

### **State**

#### **Housing** (or should we say simply Shelter).

People sleeping in cars or on the street because there is nowhere else to go. And our first world country is relying on struggling charities to help them through. All commentators acknowledge the problem is supply, and yet planning laws hinder providing that supply.

### **Commission into Child Sexual Abuse**

Awful things have happened to kids in State institutions. Then and now. Yet it would appear the system simply turns a blind eye. The system still wishes to ensure that those who have been named as perpetrators are not shamed. Forty three referrals made by the Commission of inquiry, and yet... There seems to be an almighty cover-up going on, and reflects badly on the various institutions, and the government.  
Clear the air!

### **Health**

Where to start? Criminal behaviour at the LGH, k, waiting lists, double shifts, ambulance ramping, and now "vacancy control" – how corny is that? The list is endless. The Minister says it is all under control, with band-aid payments made here and there. The blame game between the Commonwealth and the State continues, but the principle remains the same. Bed blockage! Does it really take a rocket scientist to fix it?

### **Education**

The Minister has finally announced an Inquiry into the state of the education system in Tasmania. At last! After years of complaints regarding completion rates, and with the government saying it is doing all it can, finally there is an acknowledgement that something is wrong.

The Inquiry needs broad terms of reference. It needs to consider the WHY? as well as the WHAT? and the HOW? Why are kids exiting the system so early? Why are grades so low? Is it simply a structural problem? I suspect the Inquiry will uncover a significant culture issue, and it will need a brief to explore that.

So, irrespective of the colour of the government, governments have an awesome responsibility to lead, with clear objectives in mind (and not bandaid solutions) and hold to account those within their ranks and under their charge for the actions taken.

Because in ALL of the examples explored above, real people have suffered, and continue to suffer! Is this fair? Is this the society we want?

As for accountability? Your call.

### **Mac Point – yes, again**

The Mac Point precinct has become a nightmare, or farce, depending on one's point of view. What an absolute clusterf.... Big issues face this development, managed by three separate government authorities, each treading their separate path, and each going nowhere. Recently...

**Tas Water** - moving the wastewater plant, with a significant cost blow-out. How much? Don't know, but present estimates are over \$300m

**The Macquarie Point Development Corporation** – providing a roofed stadium, against trenchant opposition, including from the RSL. Needing to move a heritage-listed Goods Shed, losing the community garden and bike paths, which it created, spending all that money, the government with cap in hand to the AFL and the Feds., dividing the community, and achieving...what? Well, for one thing a lot of money will be paid to a consultant to provide a design! But a stadium for the price tag? Pull the other one.

**TasPorts** – isn't this a classic! It takes a special kind of skill to put Hobart's amazing Antarctic adventure at risk. "Sorry, guys, can't refuel your ship in Hobart". "Sorry guys can't berth your ship". Who could blame the Antarctic Division looking for a more welcoming home, such as Fremantle.

Mind you, if they did, then Tas Ports would not have to spend any money. Is this what the government wants? To not spend the money, lose the facility and somehow blame the Feds?

A Win WIN? Hardly! What is happening here is absolutely shameful!

## Energy

### **Until now**

The rush to renewables has had serious consequences, in terms of consumer bills, doubt about the availability of power supplies, and the demonization of existing power providers.

Not everyone is on board with this rush to a new dimension. Physically, wind farms are attracting significant concern and opposition, and coming from those who one would have thought had taken the broader concerns to heart. Investment has slowed, and the target for new development will not be reached, no matter what posturing the government may wish to present.

Such a long way to go, if/when the coal generators are retired, in order not just to reach an arbitrary target, but to keep the lights on. The AEMO is already expressing its concern as to the unreliability of the system, including blackouts. Uncertainty rises, and so do power bills,

### **And then...**

Like a white knight riding into the fray, the Opposition Leader has announced a nuclear future. And in doing so has captured the political agenda. The die is cast.

He faces some significant issues, including gaining support from within his own party. People in his own party are baulking, especially state leaders. He faces opposition from vested business interests, who have hitched their wagon to the renewables agenda. And he faces criticism from his political opponents, who have drummed up a climate of fear as to the dangers of "nuclear", and in particular their utterly juvenile and puerile first response regarding three-eyed fish etc etc.

It has done the government no credit to have done so.

There has also been an outpouring of personal abuse, about him and from him, and that is unedifying, to say the least. And social media, true to form, has engaged in the debate from the extremes.

It makes a rational debate about the merits and disadvantages of nuclear power almost impossible. And yet, such a debate is essential, because at the end of the day, it is a power source which does provide value.

We export uranium, and over 31 countries have nuclear power plants. It is not a new technology, and it is a safe technology. The Minister's response that developing a nuclear future is a threat to national security is absurd and illogical, and shows his disinterest in - or inability to - engage in rational debate.

AS a country we are guided in our thinking to reach a net zero target by 2050. A part of this goal is to reach a 43% reduction in emissions by 2030 – the Paris Agreement. We wring our hands in despair that we may not reach the target. And we are advised of the extra effort needed to reach it. "The whole world is watching!"

Well, maybe and maybe not. How many other signatories to the Agreement will be reaching their target by 2030. And why is 43% set in stone? Why not 42%. Let's face it, at the end of the day it is an arbitrary figure, one that is "on the road". It is an aspirational target only – one we would like to achieve, and one that we may indeed wish to achieve, but not one that we MUST achieve. We are being caught up in a hype, with very little substance.

The really significant issues surrounding nuclear power relate to cost, the timeframe and the sites. Even within these parameters, the above hyped-up concerns play out, but this is where the debate will eventually land.

**One thing is for sure – the political agenda has been well and truly hi-jacked. The issue will be front and centre – it will not go away.**