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Title:

Address to the Briegier Seminar on industrial democracy

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72
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ADDRESS BY THE PREMIER, DON DUNSTAN, TO THE BRIEGIER SEMINAR ON
INDUSTRIAL DEMOCRACY. 3.11.75

Mr. Chairman, Ladies and Gentlemen :

Thank you for inviting me here this morning. It is appropriate that this seminar be held in Adelaide this year.

Of all Australian cities, this is the most advanced in the process of sorting out positions and establishing structures able to assist in achieving what is loosely known as Industrial Democracy.

In my own Department, for instance, we have a unit whose task it is specifically to research and advance models of multi-level management. Further, to this end my Government is committed to encouraging a wide range of reforms in the State Public Service. We believe that participation by workers in management decisions and overall administration can be effectively achieved in the public sector, and that the structures thereby established will serve as examples in the private sector.

Personally and politically, I am deeply committed to such programmes and to a proper understanding of them in the community at large. I take particular pride in the fact that this State has acknowledged the inevitability of change in this area, and is advanced in preparing for them in a proper and constructive manner.

For the fact is that in many sectors of Australian society there is a certain amount of unease whenever the notion of worker-participation in management is mentioned. To old-school authoritarian businessmen - those who have tended always to operate on the assumption of a master-servant relationship between management and employees - the idea that a worker should be interested in his work environment; or in the product of his labours; or in the social effect of that product; or in the future viability of the enterprise; or in the enterprise's industrial, economic and ecological social position - is an anathema. They tend to feel that the worker has no right - nor should have the interest - to inquire into, or be concerned with, such things. Workers are seen as necessarily subservient; and management feels, innately, a social and intellectual superiority.

But the fact is that such notions are flotsam and jetsam - an industrial authoritarianism that is a mere hang-over from the 19th century.

But it always seems to me to be a curiosity that such notions survive in an industrial world as complex and ramified as ours is. For not only are workers and groups of workers constantly dealing with managements on more-or-less equal terms, but complex interlocking systems of arbitration have erected standards and rules for negotiations between employers and employees. Such structures involve, at the highest level, State and Central Governments. The overall decisions of industrial arbitration have critical effects on the national economy.

Obviously, the old master-servant relationships have changed and we are already in a rapidly evolving industrial-relations situation. It is in no way static. It is, however, in significant ways under increasing structural strain. But the long-term trend has always been towards an increasing degree of recognition by managements, and by society at large, of the necessity for industrial egalitarianism. Such a process is obvious in all our living memories. For example, a shortening working week; improved work-place conditions; increased holiday and long-service leave provisions; noise, safety and workers' compensation programmes. And such essential improvements to our industrial and social system have not (as was predicted with each innovation) confounded the system.

And this change means that the worker (singly, or collectively in a union or shop-committee formulation), can no longer be seen as simply a factor in the system of supply - part of a pool of unused resource material. To continue to cast him in such a role is for industrial society simply to bury its head in the sand.

That ideology which leads the highest levels of ownership or management to see lower and other levels of employment in an enterprise as exploitable productive resources, simply does not understand the forces now at work in western industrial democracies. We live with a system which maintains an increasingly delicate balance between investment and return, profitability and social responsibility and processes of industrial and social responsibility.

If no man is an island, as John Donne properly said, then certainly no company or corporation should consider itself one. We are all part of a social continent and we can only survive by understanding its parts. And it seems to me that it is essential that the investors and managers of capital and productive resources - that is to say,

employers, government and private - must understand the natural and proper expectations of people in society.

For instance, the constant presentation of extremes of industrial and entrepreneurial profitability as the moral right of companies and corporations is hardly likely to convince workers at large, and at all levels, that they should not also try to have their cake and eat it. One standard of industrial exploitation leads to another. We have increasing levels of conflict between unions and employers because the example is just this across. The fact is that society's economic managers must understand that, having spoken for a hundred years of 'democracy', social equality, fair play and equal social responsibility, the spectacle of massively unequal profit rakeoffs encourages nothing more than emulation.

I do not believe our system can bear the strain of this situation, but I believe that it is only by understanding it that we can produce effective solutions. And one of the solutions I am committed to is the implementation of a comprehensive and long term programme of 'industrial democracy'.

It seems to me that our aim should be to obtain effective democracy in all areas of life, including the work place. Democratic Government cannot be achieved merely by Parliamentary or local government representative institutions. For democracy to work it is essential that every person should, as far as communally possible, have an opportunity to influence the decisions affecting his life.

Accordingly, at the last State Conference of my Party, and at the last State general elections, I advanced policies designed to achieve in this State a standard of community involvement in industrial management that will, I believe, assist in maintaining the kind of balanced industrial growth, and the low level of industrial unrest, that we have been favoured with these last five years.

The proposals are not 'radical', but for Australia they are a little unusual. And while I do not believe these changes to be essential to our future industrial and social health, they will not happen overnight. They recognise that management structures in both the public and private sectors vary widely. There cannot be a blanket solution, or some kind of grand plan.

Nevertheless, it is clear that new skills for industrial management will have to be developed - and these will progressively diminish the rigid master-servant management situation.

I believe there will emerge three elements in the new economic management of enterprise. They will be -

Firstly : Representatives of the investors. Seventy-five per cent of our economy is in the private sector relying upon the returns on investment capital to ensure continued investment and economic activity. Within our constitutional and social framework Australia will have to continue to rely both in the public and the private sector upon raising money from investors and paying a return on it.

Secondly : The workers in organisations. At the Board level they will have equal representation with representatives of investors.

Thirdly : Public management officers. These will be specially trained and appointed public experts in company management. They will be public officers who will have equal Board membership with investors and workers representatives. Their duty will be to maintain and oversee the community's interests, reporting to the Treasury, the Companies Office, and the public. They will also have the duty of assisting the shareholders' representatives, and will maintain constant communication with both investors and the workers' representatives on which might be called 'the shop floor'.

In addition, it seems to us that within any commercial or industrial undertaking, the structure of workers' participation consultation should provide for :

One : Joint Workshop Committees. These bodies with appropriate area Joint Consultative Councils, should contain a representative of each major functional group in the area concerned.

Two : An Employee Council, composed of representative employee members from either the Workshop or the Area Council, AND union representatives.

Three : A Joint Management Council appointed half by the Employee Council, and half by the Management, with the approval of the Board. The Joint Management Council would prepare material for submission to the Board. The workers' representatives on the Board would be elected by the Employee Council and could include Union representatives not employed in the undertaking. Further, it should be a requirement that employee Board representatives attend all meetings of the Employee Council, and have the opportunity for regular meetings with the Joint Consultative Councils and Workshop Committees.

That is the general outline of the Industrial Democracy model we are developing at the moment. It is, I believe, farsighted. It will not be implemented overnight or even in the short or medium term, so complex are the problems needing to be dealt with. Nevertheless, we expect that such a new pattern of management will progressively be implemented within our Public Service, thus providing at least a general indication of how the management structures needed for industrial democracy can effectively be established.

Thank You.
