



PRIME MINISTER

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LAUNCHING BY PRIME MINISTER OF "WHEN THE LUCK RUNS OUT"

SYDNEY - 13 AUGUST 1985

It is my pleasure today to launch Fred Hilmer's book "When the Luck Runs Out - The Future for Australians at Work. It enables me not only to congratulate Fred on a stimulating book, but also to make some relevant points about the task of management in this country.

The crucial role in the industrial, economic and social affairs of our nation played by labor relations is widely recognised and since March 1983 it has been a generally positive one. In the words of the recent OECD Report, the Government's Accord with the trade union movement in this country has been "remarkably successful", and "a major source of stability in industrial relations".

You will be well aware that the Government has had considerable success in achieving strong growth - with a third year of 5 per cent growth in prospect and creating more than 400,000 new jobs since it assumed office. Our continuing commitment to these objectives will be paramount in the approach that we as a Government take towards wages policy in the coming months. This is the very least that we owe to those currently or prospectively unemployed - which includes many of our young people.

At the same time the Government is very much aware, as I am sure are the business community and the general public, of the substantial contribution made by the Accord to improved industrial relations in this country. Fred Hilmer's book gives me an opportunity to make this point succinctly.

It is quite correct, as he states, that the Pilbara region was for a long time a source of discontent and of problems for both State and Federal Governments, and adversely affected our standing as a minerals exporter. Fred's book says - and I quote from it - that:

"The Pilbara has a bad record of strikes and stoppages even by the worst standard of Australian industrial relations, and the effect of this record is disastrous."

While that was undoubtedly true of the past, the book stops short of the Pilbara's recent experience - which is quite different from the history recited in "When the Luck Runs Out".

The Government responded to the Pilbara's problems with the establishment a year ago of the Western Australian Iron Ore Industry Consultative Council, which includes the Western Australian Government, the unions in the Pilbara, the companies, and the Federal Government. The Council has provided a forum for all sides to talk over their problems.

There have been two significant results - working days lost through industrial disputes have dropped and production has risen, both dramatically.

The Pilbara's improved performance demonstrates that with co-operative rather than confrontational industrial relations, Australia can be a reliable supplier to the world, and that we can capitalise on our tremendous resources.

What it further demonstrates is that the Government's policy of working co-operatively with the trade union movement - an approach for which we are sometimes irrationally criticised - can have benefits for all sections of our community and I have noted and applauded the recent observation by one of our political opponents that "union-bashing is no substitute for policy".

Indeed, I would contend that the Government's good working relations with the trade union movement through the Accord are a major reason behind Australia's impressive list of economic achievements since March, 1983. And I note in this regard Fred Hilmer's observation that unionism is no barrier to growth, as demonstrated by the fact that a number of small European countries with strong unions have consistently outperformed the Australian economy in recent years.

There is no point, however, in denying that "When the Luck Runs Out" poses some tough challenges for us all - governments, unions, business, and the Australian public. The book for example, suggests that:

"Australians appear to be caught in a downward spiral. Individuals don't add the value they could at work. Their organisations in turn don't create wealth for the community, and the economy declines slowly and steadily relative to other economies overseas".

I would argue that this process is now being gradually reversed, but as a judgment on attitudes towards work in this country it is far from flattering.

In his book Fred Hilmer identifies the contrasting factors in determining the industrial environments in Australia as "conscript mindset", and "volunteer mindset".

The first he sees as a hangover from the days of penal settlements, of forced labor. The work attitude was negative. Workers and employers viewed each other as adversaries.

The latter describes an opposite attitude, when individual's approaches to their work, as influenced by conditions, employee involvement and managerial attitudes, combine to stimulate an innovative, creative and more satisfied workforce.

"When the Luck Runs Out" argues, not surprisingly, that the latter approach is the more productive and that it is not only in the best interests of individual companies, but more generally of our nation, through increased national wealth and job creation.

So how can this result best be achieved? Fred Hilmer suggests that the key lies in management. It is up to management in his view to encourage these positive attitudes - the "volunteer mindset" - that makes the workplace more satisfying and productive for all employees.

Six conditions necessary in the work environment to nurture a "volunteer mindset" are put forward:

- A trusting environment.
- Widespread experimenting in work, rather than being stifled by rules.
- A driving purpose with goals to which people can relate.
- A positive approach focussing on achievement rather than penalties.
- Real jobs where individuals have the opportunity to add value; and
- A network of teams rather than a rigid hierarchy or a loose collection of people.

Many of the themes running through this book parallel those that the Federal Government has been mindful

of in its approach to reform of the Commonwealth Public Service. Management reforms, including opening up the executive ranks of the public service to candidates from the private sector, and focussing on results rather than simply processes, are aimed very much at this goal.

As a Government we are concerned to achieve the greatest efficiency for the resources which we believe must be applied to particular public sector activities. We recognise legitimate community concerns about the size and cost of Government.

But we also accept that as a Government we are not only obligated to provide a range of services to the community, but indeed that they are essential to achieving the equity objectives to which we attach such importance. And on this point we part company from our political opponents, who approach this issue with ideological fervour with their unequivocal commitment to privatisation.

"When the Luck Runs Out" is a valuable contribution to knowledge about sensible management in our country. I commend Fred Hilmer for his work. I wish it well.
