

Philip BENTLEY

This is George Lewkowicz for the Don Dunstan Foundation Don Dunstan Oral History Project. I'm interviewing today, 5th November 2007, Mr Philip Bentley, who was the Director of the Industrial Democracy Unit in the Dunstan Decade period. The interview is being held in the Don Dunstan Foundation offices.

Philip, thanks very much for being willing to do this interview. Just by way of background, before you joined the Industrial Democracy Unit, what was your work and academic qualifications that you'd developed at that stage?

Well, I had an honours degree in Economics from Newcastle University. The thesis I did was *Industrial conflict on the waterfront*, so I was basically interested in two areas of economics: the labour market and public finance. I came to Flinders in '68-69 as the first full-time tutor in Economics; I was there for two years. Then I went to Sydney at Macquarie University where I was a lecturer and subsequently, around about '74, I got promoted to senior lecturer. I left there in about July '74 and went back to Flinders as a research fellow in Social Sciences, and it was when I was at Flinders University in late '75 I was approached to head up the Unit.

During that academic time I had written a number of articles on Australian trade unions and industrial conflict. I became interested in the manifestations of conflict at the workplace; the most dramatic form in those days was the strikes, but where there is conflict it can express itself in the forms of absenteeism, labour turnover and industrial accidents, and I was doing research in that area. I don't know what first got me interested in the area of worker participation, I can't actually remember. I was conscious of the fact that a lot of Australian strikes were classified as being caused by conflict over managerial practices and physical working conditions, it was a very large percentage. In '73 I was invited to give a paper at the world congress of the International Industrial Relations Association in London and I wrote a brief paper, which was a synopsis rather than a fully-fledged document.

Another important influence had been Fred Emery who I met in Sydney at some stage, and by '73 I knew him reasonably well, and I was particularly interested in the work that Emery had done in the Tavistock Institute in Norway with Einar Thorsrud and subsequently what Fred was doing in Sydney. Fred told me about the work that he did at Luv Pet Foods[?], which of course was the company that Lyndon Prowse[?] sold. I didn't know Prowse.

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When I went to London I met a number of people from round the world. I got particularly close to Thoralf Qvale from Norway and he worked under the guidance of Einar Thorsrud and Fred Emery. I also had planned to go to Sweden and I was taken around the plants at SAAB Scania and Volvo. I had organised some time as a six-month sabbatical while I was in London; I was attached as a research fellow at the Industrial Relations Research Unit, University of Warwick, and during that time I wrote a lot and I wrote up the details of the SAAB Scania and Volvo practices and that was subsequently published by the Committee of Economic Development for Australia.

When I was in Warwick I got very keen on the research work and I thought the thought of going back to Macquarie University to lecture and teach students didn't appeal to me. I wasn't a bad teacher, it's just that I thought there were more important things in life in terms of my own personal fulfilment. So I saw an opportunity: there was a job advertised, it was a post-doctoral job, in Social Sciences at Flinders University – I didn't have a doctorate but I, rather arrogantly, said that all of the published research work I had put in academic journals was clearly worth at least a doctorate – and they accepted that and I came back to Flinders in July '74.

One of the things that happened then was the Institute of Labour Studies was in the process of being set up and I was asked to be a joint editor of the *Bulletin of labour* with Dick Blandy.

One of the factors I think that's probably relevant to the story about how I ended up in the Industrial Democracy Unit was that when I decided to move away from Macquarie I had got leave of absence because they didn't want to lose me, but they wouldn't keep on extending it so I resigned. So what it had meant was I'd severed a tenured job, taken up a non-tenured job and taken a salary cut of about five or six grand. For a young married guy with kids that sort of concentrates your attention a bit.

When the economy collapsed in '75 and the Hayden Budget came down it was fairly clear that there'd be a change in Federal Government and there'd be drastic cuts to the budget. It was fairly clear that the way our new, fledgling institute could survive would have to be we'd have to do a lot of consultative work to get the income in, which some of the time means you're doing jobs you don't particularly want to do. I was approached in late '75 by John Bannon. I'd known John, we'd first met at Sydney Uni, it was a national union students' conference for editors of student newspapers and I was editor of this

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student newspaper in Newcastle, and John I think was the Vice-President of [?then AUS¹?] and he was chairing the meeting, and John and I had had contact – in fact, he was the first person I had rung up when I got to Adelaide in '68 – so we'd kept in contact and John asked me was I interested in heading up the Unit for Industrial Democracy; he said that Lyndon Prowse had been a bit of a disaster in terms of upsetting people, in particular the unions, and had caused a reaction within the Labor Party. I don't know whether – I suspect his contract wasn't going to be renewed, I don't know, I can't remember the details; I know the decision had been made he was going, whether it was a forced departure or whether it was just a matter of a contract not being, I can't remember.

I was subsequently interviewed by Don Dunstan in his office – I'm fairly sure we were the only two people present – and he asked me a range of questions about industrial democracy, and I noticed that he was asking a series of questions about profit-sharing and I really didn't think profit-sharing had much to do with industrial democracy. Anyway, I answered them, I was knowledgeable on the topic. Anyway, I thought the interview went fairly well and that evening John Bannon rang me up and he said, 'How did the interview go, how do you think it went?' I said, 'Oh, I think it went pretty well.' And I said, 'Why, what have you heard?' And he said, 'Well, it didn't go well.' I said, 'Oh.' And he said, 'Don doesn't think you'd be able to get on with the captains of industry.' And I said, 'Uh.' I said, 'Well, I don't know why he would think that.' I said, 'He did ask me a lot of questions about profit-sharing, but my answers were hardly radical.' And he said, 'He doesn't want to admit it, but basically it's your appearance.' And I said, 'Oh.' Well, see, it was the hangover from the '60s, flamboyant clothes, very colourful. I had shoulder-length hair. Anyway, I was interviewed by Bill Voysey[?] who was Deputy Head of the Premier's Department – I don't know whether Bill interviewed me before Don or after; I think it was after – and Bill wanted to talk about salary and all that sort of thing and I made it clear that I wouldn't accept anything below the minimum of the executive officer range, and I did that just simply because I knew the importance of that in terms of the way bureaucracies behave; even though I'd never worked in one I was sufficiently astute enough. I had consulted to bureaucracies, I did some consulting job for the Prime Minister and Cabinet's Department in '74 and I had done stuff with the Commonwealth

¹ AUS – Australian Union of Students.

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Bureau of Roads and so on. That caused an argument for quite a while, but anyway I made it clear that it was non-negotiable. Anyway, I drove off for my Christmas holidays in '75 not knowing whether I was staying at Flinders or going on. I had suggested to John when he first approached me that I didn't want to do it and I'd help think of some other names, and he made it clear he wanted me to put my name forward. Anyway, I found out I think by way of a phone call, I was back in the Hunter Valley where I'd grown up and it was a couple of days before Christmas.

So I got back and I started I think in February '76 and I went along to see Don the first day or within the first week, anyway, and I had a new suit on and I'd cut my hair. Don obviously confirmed that this was the reason that was causing him some concern about me because later on – shortly thereafter, actually – he said to John Bannon, he said, 'He's cut his hair.' And he said, 'I told you he was a pragmatist.' So it was an interesting insight into Don that he actually didn't want to ask me the question, in my view, 'Are you going to cut your hair if you go into the boardrooms?' I think it was just because he was conscious about his radical image and I don't think he wanted to be seen to be asking questions like that.

You weren't wearing a safari suit?

No.

When you were talking to John Bannon, did he talk about industrial democracy at all? Where did he fit in?

John had been on the staff of Clyde Cameron and he was aware of my academic work and we had had that earlier contact and John, I think, had been asked to go on the board of the Institute of Labour Studies so he was directly involved there, and we used to run into one another at the Industrial Relations Society conferences each year. I was a member of the Labor Party in New South Wales and I'd transferred to South Australia, but I wasn't active in the South Australian Labor Party at any stage; in fact, the idea of getting involved in silly political arguments was not my cup of tea. I was quite prepared to have the argument but I couldn't be bothered with all the carry-through and the bullshit that goes on in the lead-up to it.

So what was the reporting relationship you had, was it to John or Bill Voysey or to Don directly?

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Well, John wasn't in the bureaucracy in the Premier's Department; he was an assistant director in the Department of Labour and Industry, he'd been picked up when the Whitlam Government fell and so he was over there. But John, of course, was actively involved in Labor Party politics and he was very conscious of the need to try and get someone who had some political nous to try and steer the way through the conflicts that had occurred.

And you mentioned you spoke to Don twice in the first – well, the interview and then the later interview you had with Bill Voysey. Apart from profit-sharing, what were Don's other directions he wanted followed through in this area?

Well, I'm not saying he wanted anything carried through in profit-sharing; I think he just kept on asking me that to see what my views were about businessmen.

I see.

I think, really, Don had a view that – he was conscious of history and I think he saw society evolving and that most of the democratic rights that he perceived at that time had been enshrined in legislation, if not in personal behaviour. He mentioned it and I know a couple of us subsequently used it in speeches, I don't know whether it was his original idea, but he'd asked the question: you spend two-thirds of your – I've forgotten the formula now; it's two-thirds of your waking life at work? No, it wouldn't be that high. But anyway, a third of your waking life at work. Why wouldn't you have some rights during the course of that time? You don't tune off from having rights when you enter the factory or the office and democracy resumes when you leave. I think that was probably the fundamental guiding principle – that would be my memory of it, anyway.

In terms of Don's detailed knowledge of different forms of industrial democracy, he had gone to some trouble to have a look at a few things overseas and his knowledge was reasonably good. I don't have a recollection as to what form of industrial democracy – because there were many forms being proselytised in those days – I don't recall what form he personally preferred and I'm not sure whether he did.

Right. He'd set up, there were two committees on worker participation in management. You said you came in in 1975 and you mentioned Lyndon Prowse and where he'd got to or not got to, so there'd been some history before that, the two committees' reports and the work that Lyndon and his team had done. Did you get any impression as to – you mentioned there'd been some problems with Lyndon – get an impression as to what was preferred, what sort of approach was preferred, when you were thinking about joining up?

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Well, let me put it this way: I think everyone has – I want to answer it indirectly for a moment – everyone has their own biases and they get changed over time. Now, this is a subject matter that really, for the last quarter of a century, has not been a subject I've really dealt with and it hasn't been important to me, so coming back I don't know whether I'm being over-harsh in some of the criticisms I would make. I've always been a harsh critic of myself, not always publicly, so I don't know whether ---. And also I'm aware of the fact that, as time goes by, your memory becomes more selective in what it remembers, I think that's just part of life. My recollection is that Don was reasonably flexible in terms of the forms of industrial democracy to implement, he wanted things to happen and he was going to do what he could to assist in that process.

The Labor Party Conference in 1975 had passed a very detailed policy which, quite frankly, I recognised then was a bloody hindrance, it was unhelpful, and I certainly strongly hold that view today. Whether it would have made any difference to what we could have or would have done I have my doubts, but it was an unnecessary thing to have to continually deal with. It frightened the hell out of businesspeople. Furthermore, it was ridiculous because the people who wrote it were a couple of people in the backrooms of union offices who had degrees and they got the political clout of their masters, who were elected by the rank and file of the union, to push it through at a party conference. Now, Lyndon had caused a number of union officials to be uptight. I hadn't seen him in action, I'd just heard the stories and I think there were probably a couple of articles in the paper. And Lyndon was fairly anti-union himself so it wouldn't have been hard, you wouldn't have had to scratch him too hard for some of the stuff to come out. But what that had done was cause a big backlash which caused this fairly left-wing, almost Stalinist, type bureaucratic policy to be introduced at a Labor Party Conference and quite frankly it scared the shit out of the bloody South Australian business community.

What was the drift that you recall?

Well, the biggest problem, it was symbolised in the catch-phrase, 'a single channel of representation'. Now, apart from its non-democratic connotations, it was almost contrary to the principles of industrial democracy anyway. Why would a bloody worker, who's working on the shop floor perhaps in a semi-autonomous workgroup, have to have a principle that you can only raise things in discussion through a union rep? It's just

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nonsense. But anyway, that was the policy. I basically ignored it myself, but it was a problem when the Unit was managed because some of my staff, who were a bit more purist than I was, they wanted to take it a bit more seriously, so that led to tensions within the Unit. But it really was a reflection of the unions reacting to things. Industrial democracy, the principles carried out, can be more threatening to a union than when there aren't any. You know, if people ask questions sometimes they might ask questions you don't like. Sometimes they mightn't like your answers and they might let you know. So it was a backward step.

I think the overwhelming thing, though, that really stopped the reform and had virtually, I think – (laughs) the ingredients for it stopping had commenced before I started, now that I reflect back on it, it was really the economy.

Right.

A lot of the experimentation that went on in Australia, and probably more so in Sydney and in Melbourne, had occurred due to the tight labour market in the early '70s. I can remember when the motorcar industry, they were having huge problems. They had labour turnover rates over a hundred per cent per annum. Now, you've got massive management of human resource problems when you've got that on your hands. Now, that's why management was prepared to look to other solutions, and I knew that management weren't doing it for any ideological reasons; they were doing it as a mechanism in order to try and solve some of their real-world problems, and I'd been engaged in a number of discussions along those lines. I can remember, for example, in the early '70s I got to know Ian McPhee who subsequently came on to be a minister in the Fraser Government, I had dealings with him then. But Ian was a very progressive head of the Victorian Chamber of Manufacturers before he went into Parliament – I think he went in in '74 – and Ian went out of his way, after talking to a few academics including me, and then he went out of his way and spoke to Fred Emery and went overseas and did quite a bit of work on it, so there was a big movement developing. But then when the oil strike hit the rapid rise in unemployment – like you went from a full-employed economy of, I don't know what it was in '73, must have been – the unemployment rate would have been about two per cent, I would have thought, and then by '75 it was five and growing and the economy had huge problems. All of a sudden you're laying off workers, you're battening down the hatches

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for survival, you're not (laughs) going to try new things. And I was conscious of that problem at the time and that's why we tended to focus a bit more on the public sector. Well, we were doing it (a) because Don was making the public sector available through his influence, although there were issues there as well, and secondly a lot of the private sector people didn't want to know us.

So when you'd been offered the job, you took it, did you have some idea in your mind as to how you were going to approach it?

Well, I had found during my reasonably short academic career that I had the ability to communicate with people and to try and persuade them of logical approaches to do things. I probably was never short in self-confidence. I didn't have any grand design, if that's your answer; I was very interested to get fully up to speed in the first week or so by meeting with the Unit people who were there to find out the details of their experience, because I only had a couple of interactions with them during the period '74–75, it wasn't as if our paths were crossing a lot. I was doing research work on my own or I was doing economic-based research, either with Barry Hughes or Dick Blandy, but I didn't have a great detail of knowledge of what they'd got up to to date.

And did anything strike you? Like there was mainly sort of project-oriented in terms of relationships with some companies, and you mentioned the public service.

It became fairly clear to me early on that personal contacts in business, public sector and the Union Movement were important. I spent quite a bit of time networking, going around talking to people. I spent quite a bit of time down at Trades Hall talking to union officials. Basically, the vast bulk of union secretaries I spoke to, they weren't really interested. The ones I can think of by name would be Dominic Foreman, the Vehicle Builders' Union; Alan Begg from the AWU²; John Scott, he was interested but he was more interested in the Labor Party policy; Bob Gregory who was Secretary of the United Trades and Labour Council, he wasn't interested, he thought it was all bullshit; George Apap from the Storemen and Packers, he gave one or two genuflections to it over a beer but I don't think – he wasn't serious, either; I spent time with Ken Coles[?] at Clothing Workers; there was Norm Reynoldson, I think, from the Textiles; Jack Niland, Transport Workers; some

² AWU – Australian Workers' Union.

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bloke whose name escapes me from the Tramways Union or the Bus Union; yes, that's to name a few. And I spent time talking with the public sector people.

Who strikes you from there?

Well, it was a question of who to deal with first. Graham Inns was of course Chairman of the Public Service Board. He was subsequently succeeded by David Mercer. Bob Bakewell was head of Premier's Department and he thought I was a bit of a nuisance because he liked mixing with the captains of industry; but he kept out of my way. However, he knew it was a priority of Don's and, as long as it didn't upset any captains of industry, he was highly-supportive.

And did you have a mentor at all, somebody who said, 'You're new to this public service, *et cetera*, game and -- --'?

No. I think Bill Voysey might have had just occasionally – we occasionally had a meeting. He wasn't really a mentor. No, I didn't really have one, I was on my own.

John Bannon had left by then or – you mentioned earlier he hadn't joined the public service just yet, but at some stage he was in the Department of Labour.

Yes, he was in the Department of Labour and I used to have a chat with him. I was particularly interested in redesigning of jobs in the stuff that had been successfully done in Norway. Now, John and a few of the others were more interested in representative forms of industrial democracy through works councils and consultative bodies, and quite frankly I didn't think that did a great deal for anyone. Now, I knew that was contrary to the policy and it was contrary to some of the public speeches I gave because, you know, you give speeches on what all the options are. But I personally didn't put a lot of store by them. I thought that having some consultative council or works council could be a forum in which views might be opened up, it depended on the strength of management and how genuine they were. If management felt threatened at all it wouldn't work, and mostly it didn't.

And it was tried in the public service -- --.

It was tried in the public service. Now, there were some success stories but there weren't many.

So you became the head of the Industrial Democracy Unit. Who struck you in there as people who were really on the ball and had this feel for making all of this work and the sort of work they were doing that impressed you?

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There were three people there when I arrived. There was Ken Wang, Charles Connolly and Geoff Anderson, and they'd more or less been there I think for about two years and they'd started about the same time as Lyndon. Each of them were different. Ken Wang was cluey. He was looking at industrial democracy in some ways the same way as I was, he saw it as a more efficient way of doing things, which is why he emphasised mainly job redesign along the lines that Emery had been espousing. Charles Connolly was supportive of both the representative forms of industrial democracy and, as we call it, the participative forms, and Charles had been working in a couple of private sector places, as Ken had, and also in some public sector areas. Geoff I think had been dealing with some of the politics of the thing at the time and Geoff was – whilst I think in our ways at least three of the four of us were reasonably political, Geoff sort of put things into a political context all the time and I think he was dealing with some of those problems. But then I think Geoff went off overseas on sabbatical at some point, because I think in '77 when Bannon became Minister he went onto his personal staff. But I think before he did that he went off overseas.

And after you arrived it seemed that the Unit took off a bit of a head of steam in terms of numbers – – –.

Yes, I got Don's support to crank it up. I consciously recruited so that we had a mixture of people. (laughs) Upon reflection I don't know whether it was a good or a bad idea; it was probably a good idea, but – Jesus! – I've had some big managerial jobs since then, in fact from end of '85 to beginning of 2002 I was the chief executive of about four different organisations, and I certainly benefited from the challenges I had as a manager within the Unit for Industrial Democracy.

You want to talk about them a bit?

(laughter) Well, I could talk about a couple of the main players. I recruited Stewart Sweeney early on in the piece. Stewart had actually – I had recruited him at Flinders University as a research assistant from Tasmania, so I knew Stewart's left-wing views; but Stewart subsequently became fairly wedded to the policy at the '75 Labor Party Conference, that's my recollection, and I just thought it was a load of bloody bullshit, I didn't think it was helpful. But, having said that, Stewart and I got on reasonably well for a while. I think we subsequently had a row about something which I can't remember what

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it was about. So Stewart, he did some work closely with the Trade Union Movement, talked to them.

Sue Walpole was very good, she was a good left-wing lawyer. She was reasonably similar in her views to Stewart. Then we got the opportunity, I think it was in '77, to have Ruth and Olle Hammerstrom on our staff. Olle I think was out here on a sabbatical or an exchange between the Department of Labour in Sweden and the one in Australia, and Ruth we directly employed, and they made fairly good contribution because they'd had a lot of hands-on experience which some of the staff by then they hadn't had as much experience.

There was another interesting guy who came in was John Hunter. John had been a manager at the Magill Aged People's Home, I think it was, or was it Community Welfare? It was a community welfare venue and I think it was at Magill – whether it was an aged people's home I'm not sure. And he had been a manager there and had actually set up a works council to come to grips with the problems with his staff, and we'd thought that was reasonably impressive at the time and we thought it was particularly impressive because the bloke, Cox, who was the head of the Community Welfare Department, was a bloody difficult bastard to deal with at the best of times.

Ian Cox, yes.

Yes. So John joined us and that added a completely different perspective.

Daryl Hull: Daryl's experience, he'd had an academic background at University of New South Wales and he'd been doing some work in Sydney, and Daryl came on as our senior research officer, and Daryl added to the cut and thrust of the different approaches. He had the capacity to think outside the square.

There was another guy called Brian Sheahan[?]. Brian came to us from Philips and he was a manager too, and Brian, he managed to get into one or two workplaces that had management problems and, being an ex-manager, he could understand it. Subsequently, actually – I'm pretty sure it was Brian – Brian and a guy called Case DeBruin, Case DeBruin was a meatworker who came off the factory floor at SAMCOR.³ Case was a bit different from the rest of us in that I don't think he had any academic qualification. But

³ SAMCOR – South Australian Meat Corporation.

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we were doing this report on the problems at the SAMCOR meatworks, of which there were plenty, and actually this report came to light – it was almost post-Don; the work started, but when Don retired in February '79 it was only a couple of months later word got out about this report we had done on SAMCOR meatworks. Well, basically it was the sort of thing a management consulting firm would do and a lot of it had very little to do with industrial democracy; it had a lot to do with poor management practices. While the Government found our report interesting, they didn't really think we should be doing that sort of work, (laughter) and I can particularly remember those views actually were expressed by both Corcoran and Virgo.

In their colourful language, yes.

And of course the other bloody problem was that Graham Inns, who by then had become head of the Premier's Department, he was the bloody Director of SAMCOR –

Yes, that's right.

– so he really had the shits over this. Of course, it was seen to be critical.

There was a worker director appointed, was that in that time?

Yes. Absolutely bloody useless, from memory. I don't believe he made any contribution to anything. (laughter) Our general view was the poor bugger was manipulated – and, you know, quite frankly that's not all that surprising, if you're there alone I don't know that you can do much. And some of the people have got bigger smarts than you have, and it's not hard to caress people and cajole them and get them to see things your way.

You were going through the list of names of the Unit.

Yes.

There's one we haven't come to yet: Mike Rann, how did he come in?

(laughter) Yes. Well, we'd advertised for a journalist, I think it was January '77, it was about that time, and we decided to get on the front foot and get a lot of stories out. Mike, who I subsequently became very good friends with – when I remarried in '82 Mike was best man at my wedding and we've been in reasonably close touch ever since.

Good.

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Mike was in town and I think he was chasing a girlfriend and his brother was in Adelaide, working as either a journo or in a PR outfit, and Mike was a journo, I think he was still with New Zealand's ABC⁴ – you know, the equivalent version of the ABC. Mike was reasonably political, he'd been to Auckland University with a few people, two of [whom] subsequently came on to be New Zealand Prime Ministers, Mike Moore and Helen Clark, and indeed in about '78 or '79 Helen Clark and her husband were visiting and we all went for a walk up in the Hills. However, Mike was interviewed and because of my interest in journalism – I'd been editor of the student newspaper and I used to knock around with journalists in Sydney during the early '70s and I had a few mates who were journos – I had a view if you couldn't sink a few bloody drinks you weren't much bloody good, because in those days a lot of the good information came out in bars when people spoke too much. So anyway, I thought I'd give Mike a bit of a drinking test after the interview. (laughs loudly) And we went over the road and I was a reasonably big drinker in those days – – –.

That was the Earl, was it, Earl of Zetland?

Earl of Zetland, where's that?

On the corner of Flinders and Gawler Place. It's now a Savings and Loans office.

No, I don't believe it was; it was the one in Currie Street. There was one in Currie Street – and I don't know whether it was called the Kent Hotel – because our offices were in Currie Street at that time.

I see, right.

Anyway, yes, I think Mike must have been in outstanding form that day because he passed the drink test and he was offered the job. Subsequently, when he and I were sharing a house together before I got remarried, (laughs) I learnt that he's not such a big drinker after all.

Oh, really?

⁴ ABC – Australian Broadcasting Commission/Corporation; the New Zealand equivalent until 1976 was NZBC, New Zealand Broadcasting Corporation.

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(laughs) Yes, but Mike was good. That's when really our publication impetus really started, when we started putting out a lot of publications. We had different series – international stuff, Australian case studies, philosophical or argumentative pieces and all that sort of thing – and we ran them in different colours for different themes. However, Mike wasn't with us as long as I would have liked. Shortly after the '77 state election when Dunstan romped in, Steve Wright, who was virtually chief of staff to Don although they didn't use that [term] in those days, he made a point of seeking me out and said he had picked up some criticisms of Mike Rann. I said, 'Oh? What are they?' And I can't remember what he said now. And as he was saying it I was looking at his face and I looked at him in the eye and I said, 'You bastard. You're going to pinch him off me.' Because what had happened was I quickly jumped to Mike's defence; but then it must have been the way his eyes twitched and I knew he was just testing me out. So by, I think, about October or November '77 Mike was gone. When I say 'gone' he did, however, retain quite an interest in what we were doing and we used to interact socially, so he was reasonably well up to speed on it and remained that way. We then advertised again and we got a guy called Ray Wood.

Ray Wood?

Yes.

And you mentioned the publicity improved when Mike got there. Was there any sort of general message you were trying to get out with the publicity?

No. I can't remember now the extent to which I was completely open and frank with the staff; I suspect I was because I tend to be that sort of person; but I certainly was aware that we were struggling in terms of getting clients and we were throwing resources at things to try and elicit more interest. And we were getting plenty of interest from interstate, we were getting interest from academics.

Then we planned on running an international conference and that was – I reckon that was Don's idea. I think it was Don's. We ran this big international conference in May, I think it was, of '78 and we brought out I don't know whether it was six or eight speakers from overseas – it was a big budget, and without having the Premier as your minister you wouldn't have a chance – and we had about four hundred people come. Everyone thought it was a resounding success. But we had Clive Jenkins from the British Trade Union

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Movement; a bloke, some bloody knight who was on a couple of company boards in the UK. They gave their own papers and then debated one another, and that brought the house down because Clive was in a very – both of them were in a fairly cheeky mood and got stuck into one another. There were a couple of guys from Yugoslavia – not a lot of warmth there; I think they were probably Communist Party members and they'd been told, they were running a certain line. The German – we had a couple of Germans: there was a head of German employers; we must have had someone from the unions, I think. And we had sent a South Australian trade unionist, Ted Gnatenko, to work on the factory floor in Yugoslavia, he gave a paper on his experiences.

We also sent a South Australian businessman, Peter Morris, to Sweden. Peter, however, didn't stay all that long, which was a bit disappointing to us. Peter had been involved with Hansen and Yuncken, building firm. Ken Wang had done a lot of close work with him. Peter had implemented some significant changes – was it Hansen and Yuncken or Fricker Brothers? No, that's another one of Ken's projects, you'd have to talk to Ken about that. Ken handled both of those projects. I don't know whether Peter Morris left Fricker's and went to Hansen and Yuncken's, I'm not sure. And Peter gave a paper at the conference. Just thinking then, I'll have to scrub this – this is where the memory gets you. Peter Morris did play a role, but there was another guy called Lloyd, I think *he* was the one that went to Sweden.

All right.

I don't have any of the documents.

Yes, perhaps later we can look at that.

Yes.

And what did the local industry think after the conference? Did they think, 'We must be missing out on something, we got all this interest', or they went on their merry way in any event?

No, I think the latter, yes. I really think, when I look back at it in hindsight now, the opportunity was there in the early '70s to bring about change, take that opportunity, when the labour market was so tight and the labour problems were so strong, to go then – to be fair enough, I think Don's first thing was about '73, but if he'd gone then and he hadn't appointed someone who was politically-ignorant like Lyndon Prowse, he might well have

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invented things to start with. I look back on that, really, as we were pushing uphill. We even had the support of Ian McPhee, he came over. He was Commonwealth Minister for Productivity and I can remember a couple of the people in the business community that I learnt to have a rapport with, they in effect told me afterwards that just because the conference went well and all the rest of it and a Commonwealth minister supports you don't think your problems are solved. And I knew they weren't.

And in any of this time did you see Don talking to industry and try and get them on board and, if he did, what sort of approaches did he put to them?

Well, after the '77 election Don and I had a discussion about where to go, and I can only recall one significant aspect of that discussion but I'm sure we would have assessed the situation, and I asked him to consider whether he'd change the *Companies Act*, which was then a piece of South Australian legislation, to bring about worker directors in South Australia. He subsequently used that in a speech which he gave at Mount Eliza, and that speech I know I at least commented on the draft. It was probably written by Mike Rann. There were a couple of South Australian businessmen at the Mount Eliza centre, and I heard them talking afterwards and they didn't know I could hear, and (laughs) they were pretty hostile. But what we thought was if we could just take the advantage of a political majority to sort of push the envelope – – –. Well, the backlash was sufficiently significant – the thing was that there weren't any supporters coming out of the woodwork publicly. You know, you were fighting the communications battle on your own. And then the idea was dropped.

Did you get a feel about Don's colleagues, if you like, in the Cabinet or any of those that were interested in pushing this along or were they all just sitting back?

My recollection, and I could be wrong here, but my recollection – bearing in mind we're talking about thirty years ago – my recollection was that Don was the only Cabinet minister who was really keen, interested; and apart from some knowledge that Jack Wright had he was the only other minister who was interested. Jack came in as Minister for Labour in, I don't know, '74, '75. Before that I think it was David McKee[?] and I don't think he had a clue.

So they sort of looked at Don as one of his sort of –

Well, it was one of Don's frolics.

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- yes, one of his frolics.

Yes. But basically the power structure in that Cabinet, it was a Cabinet of four if you analyse it properly. Don virtually got his own way. The other power brokers were Corcoran, Virgo and Hudson. And other ministers had varying degrees of say and involvement, but they were the big four. But the other three in that big four, I think they just let Don have his indulgence.

Right, yes. So things weren't going too well with the private sector – you mentioned there was a lot more effort being devoted to the public sector; were there any sort of key supporters there that you can think of?

Well, the only support we had really was there was a guy called Peter Fleming[?], who was head of the staff development section of the Public Service Board, and he was quite supportive, I don't think for any ideological reasons; just simply because he saw us as being reasonably close to powerbrokers and that was the way to go. David Mercer, who succeeded Graham Inns as Chairman of the Public Service Board, he was similarly supportive but David didn't hide the fact that it was simply because he knew I was close to the Premier and he thought it was smart to get on with people who were close to the Premier. When Corcoran became Premier the nature of the relationship changed somewhat. (laughter)

So what happened then?

Well, Des, he basically – I don't know whether he gave it direction or not; my indication was that we were basically told to leave the private sector alone. In any case, within about seven months Des had called the 'unlosable' election, or it was an election that should never have been called, then lost it.

At that time, yes.

Yes.

And was there an organisational shift? You were in Premier's Department.

The organisational shift occurred in – that had nothing to do with Des Corcoran. That was partly due to a power battle that was going on in the bureaucracy. For reasons that aren't obvious, and I've never found out, Don Dunstan had promised to make Graham Inns the head of the Premier's Department and Bob Bakewell, who'd been his sort of leading man,

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I think had had second thoughts about moving on so there was a battle going on between those two. The upshot of it all was the new Department of Economic Development was created, which had some significant involvement, and the various heads of the divisions of Premier's Department – because it was a fairly big and powerful department in those days – none of them were jumping out of their skin – – –. Whilst we had our own stories about Bob Bakewell – you know, his nickname was 'Wobbly Bob'... there was a sort of an endearment to him and I think we felt that it would be better having him than Inns. And when Bob sort of dropped a hint there was going to be a split-up of functions everyone was bloody lobbying to bloody go with him rather than bloody cop the new bloke. But there were also some problems in the Unit being completely separated from the responsibility for labour relations and Jack Wright, he was sort of raising in his circles that really the Unit should be under his wing. And Don understood the logic of that but it was Don's baby.

The genesis of the change, I think, was the '77 election. Well, the history books will be able to show it, or the Governor in Council decisions will show it. I had a meeting with Rob Dempsey and he was one of the senior officers on Don's staff, and of course (laughs) he was having his own power battle with Steven Wright, the private secretary, so there were battles going on everywhere. Dempsey didn't like Inns and he was a supporter of Bakewell, whereas Steven Wright tended to be the other way round. Anyway, Rob was of the view that Don had a lot of things on his plate and he'd be in a position that he thought the timing was right to suggest a change. So Dempsey and I came up with this solution of having Jack Wright as Minister Assisting the Premier in Industrial Democracy with the Unit relocated as a unit in the Department of Labour and Industry, and I think that happened. That happened in late '77, I think, because I know for a fact in '78, when the international conference was on we'd been involved in the Department of Labour and Industry for a little while then. That caused some further tension within the Unit. The tension that had been in the Unit had been over ideology and how to handle different problems, but some of them were rather pissed off with me for orchestrating this manoeuvre without any discussion. My attitude was, 'Well, that's life, that happens.'

Right, so the idea of consultation or industrial democracy wasn't practised in the Unit?

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Well, yes, and they raised all those arguments. But in the real world of political wheeling and dealing no-one's ever engaged in democratic processes.

So who was your new boss, not bureaucratically – – –?

Well, I was still on a personal contract to Don Dunstan, but the idea was that my job would broaden to be a director within the Department of Labour and Industry, because John Bannon had gone into Parliament. The job he had was vacant, which covered the industrial relations research, the advocacy work, handling industrial disputes and all that sort of thing, so you could see there's – if an area of government's dealing with industrial disputes and you've got an Industrial Democracy Unit you think you'd have the two together. So that was all brought under my wing and what I then did was I put two – you'd have to ask my ex-staff this, but a new structure was set up for the Unit and I can't remember, I think there was some consultation over that but I can't remember how much. Basically the three key players became – Charles Connolly was given a title something like 'Senior Projects Public Sector'; Ken Wang 'Senior Projects Private Sector'; and Daryl Hull 'Senior Projects Research'. So they were the winners.

And where did Lindsay Bowes[?] come into any of this?

Well, I reported to Lindsay. A lot of people thought that was a bit of madness. What they didn't know was I'd known Lindsay Bowes for a few years. Lindsay was a conservative, old-fashioned bureaucrat from the old school. A lot of people within the Labor Government didn't like him, and in fact Jack Wright once said that he was told when he was given the portfolio the first thing he had to do was get rid of Lindsay Bowes. But he and Jack became reasonably close. Bowes was very much in the sort of 'Sir Humphrey'⁵ mould. If you caused a big reaction around the place Lindsay could come on reasonably strong but, by and large, I don't recall many instances of him interfering with the day-to-day work of the staff of the Unit. I just don't recall that occurring. They didn't relocate, they remained in their building in Currie Street, so they had that sort of independence of movement; I don't recall Lindsay Bowes going there very often and the Unit still went about their work. I could meet with Don Dunstan whenever I liked but I always used to recognise that he was a busy man and that you take advantage of your undiluted rights to

⁵ Fictional bureaucrat in television comedy series *Yes, Minister*.

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access carefully because if you overuse it you're less welcome. That's a principle I've used subsequently in dealings with other governments.

And Lindsay didn't help to open up any bureaucratic doors or anything like that, seen as a more safe option here?

We tended to keep proceeding down the path of working with the Public Service Board, yes. I think Lindsay's impact, in my recollection he was neutral. I can't remember him opening up any doors but I can't remember him bloody shutting them, either.

So what happened in the culmination or ending of the Unit, what led up to that and was that under the Tonking Government or under the dying days of the Corcoran Government?

Well, of course I think once Don had retired through ill health the days of the Unit were numbered because it didn't have a wide base support. Corcoran kept the title, he still had Jack Wright as Minister Assisting the Premier, that's because Des wanted to have the ultimate right to butt in. He was particularly conscious of not upsetting the private sector and I think the days were sort of relatively numbered then. I actually was overseas when the election was on. I'd been invited to give a paper at an international conference in Paris and I happened to be in London and I got a shock. People didn't expect the Government to change, or hadn't when I flew out for overseas; I wasn't here for the election campaign. I subsequently heard some of the stories. But the election should never have been bloody called, it was a year earlier than it had to be and you don't call an election if you haven't got something to sell to people.

Then of course, even if Don had been there – and I think it's important to mention this – the opportunity was there end of the '60s, early '70s. End of the '70s was too late. By the time we got into the '80s – and this is all the benefit of knowledge with hindsight – once you started deregulating the economy, as the Hawke [Federal] Government did in '83, it was never going to happen. And if you want to see what – whilst the American economy isn't deregulated as much as it could be, certainly not as much as the Hong Kong one is, it still has plenty of tariff walls[?] and they protect their rural sector, it is the sort of picture of what happens in a capitalist society, that would still be that model, worker participation principles have never taken hold in America. And the more and more you move to a deregulated economy, the less likely that will happen. Now, I knew that there

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were some unique features, as Don did, with the European things, but we kept focusing on Europe; we never focused on the States.

Some of the co-determination work in German was a product of the collaboration between some union and employer people at the end of the Second World War. The Norwegian experiments, some of those workers and bosses had fought alongside one another in the War and they had a base from which to come. The Yugoslav stuff was partly an ideologically-driven thing. So I don't recall Don ever referring to American stuff. So, with the benefit of hindsight, if Don hadn't had to retire through ill health and had gone into the '80s, I think he would have lost interest because I don't think it would have been possible.

Right, unless the market tightened up again or something happened.

Yes. But once you started deregulating the money market and you start relaxing walls you are fundamentally changing things. You can do a lot of things behind protected walls.

So do you see any legacies coming out of this period? You mentioned the Federal Government and McPhee's interest –

Yes.

– and I think when the Hawke Government came back in they were talking about this area a bit, then every now and again something comes up in the ACTU⁶ about it as well, not so long ago.

Well, I said earlier on I can sometimes be my harshest critic, and because I was so personally involved in it you can't help but – – –. I don't know what the legacies were. I think the people within the Unit, most of them benefited from the experience. I think we raised the debate in terms of management practices and options because a lot of managers became defensive, and there has been an enormous improvement in the quality of management in the last thirty years but I'm not – you know, I think we just were a factor in contributing to the debate about managerial practices. No, I would give it a negative response on lasting contributions.

And what about reflecting on change processes generally, what sort of lessons do you pull out of this experience? We'll call it 'the experiment', for want of a better term.

⁶ ACTU – Australian Council of Trade Unions.

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Well, I think the lessons I would draw is that, even when you've got a charismatic and fairly powerful leader, unless some of the people around you have the same beliefs it is bloody hard to bring them about. Now, you know, the fact that Don really only had one minister, Jack Wright, who was at all switched on to the idea meant that he was fighting behind the 8-ball.

I'll give you an example: there was an occasion – I think it was, the Labor Party Conference was usually in June, it was Queen's Birthday weekend – I think from memory Don had come back from the States and Adele had been getting chemotherapy or some sort of treatment for her cancer and Don wasn't in a good frame of mind, as one would expect. And I was having a chat with Jack Wright about how a document very critical of the Unit for Industrial Democracy and the players within it had been printed in a Cabinet minister's office. And he said to me, he said, 'Well, have you told Don that?' I said, 'No, I don't want to get caught up in all that.' And he said, 'Well, if *you* don't I will.' Now, that was impossible, put me in an impossible situation and was no choice – that year I was living with Don's daughter, plus I was responsible for the area, the information had come to me. So anyway I went round to Don's place and told him and he was pretty hurt and pissed off. He asked me to make sure I was at the Labor Party Conference on the Saturday afternoon and it was a very interesting occasion. It was about bloody four o'clock, all the powerbrokers got up and walked out – Don, Corcoran, Virgo, can't remember if Huddy was there, Howard O'Neill, Bob Gregory, and I can remember Des Corcoran giving me a friendly nudge and a wink on the way out – and basically Don told them what I had told them and the unanimous view was that the Cabinet minister ought to be sacked. In the end, Don didn't. I don't know whether – to this day, I never discussed it with him – whether it was due to the emotional distress he was going through at the time or whether in fact he couldn't bring himself around to do it either because of that distress or because of the fact that Don in some ways was a bit of a softie and the guy happened to be sort of a – on other issues, have some of Don's more left-wing views. So anyway the Cabinet minister survived.

What do you think might have been his motives? Was it undermining Don or the worker participation side of things or industrial democracy?

I don't know why he did it. It was all about power games, really. The people who had written the '75 Labor Party Policy were close to his faction and the circles they moved in

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and I just think it was all a part of that game. Some of the key players were Les Wright in the AWU office and John Lewin: it's possible Ted Gnatenko might have been involved with the Metalworkers with John Scott – I don't think John was involved with the writing – and Phil Drew, probably, from the Trade Union Training Authority. You know, all – Stalin would have been proud of them!

Well, I'm not sure whether we should finish on that note. Was there anything you wanted to add, Phil – –?

I'd just like to make the point that I had a lot of time and affection for Don, but on the industrial democracy issue it's unfortunate that he didn't try it a couple of years earlier and it's unfortunate that he chose Lyndon Prowse. If that choice had been earlier – if the two things had been done differently and a different person had been chosen there might be a lot more to talk about. But some of my colleagues mightn't be as jaundiced and negative as I [am].

END OF INTERVIEW.