
THE AUSTRALIAN

Australia Post turns drama into soap opera

HENRY ERGAS

Follow @HenryErgas

By **HENRY ERGAS**, COLUMNIST

1:00AM APRIL 16, 2021

On December 22, 1988, Ralph Willis, who had recently become minister for communications in the third Hawke government, met with George Maltby, the managing director of the Overseas Telecommunications Commission, and demanded his resignation.

Believing that he could not remain in his post without the minister's confidence, Maltby immediately complied. Appalled by Willis's conduct, Alan Coates, an eminent business leader who had been appointed to chair OTC's board at prime minister Bob Hawke's behest, resigned the next day.

Recollections of the events leading up to the crisis differ. However, it is uncontentious that it was triggered by an anonymous (and grossly inaccurate) leak of the pay rises Maltby had accorded technicians and some OTC executives — a leak which provoked a media storm that infuriated the government as it sought to implement the wage restraint provisions of the Prices and Incomes Accord.

And it is also uncontentious that given OTC's difficulties in retaining trained staff, the pay rises Maltby had actually negotiated were entirely reasonable, as was eventually confirmed by the Arbitration Commission and the Prices Surveillance Authority.

There was, of course, no shortage of precedents for crises of that type. As recently as 1981 the Fraser government had forced the early retirement of Jack Curtis, the managing director of

Telecom, who, without going through the government's mandated processes, had settled an industrial dispute by agreeing to wage increases.

But by the time of Willis's onslaught, the context seemed to have changed dramatically. In particular, only a few months before the clash, the then minister for transport and communications, Gareth Evans, had announced sweeping reforms to OTC's governance.

Those reforms' explicit purpose was to remove outmoded controls, giving OTC "the maximum flexibility needed to cope in the competitive international environment in which it operates". Aimed at "letting managers manage" — including by relaxing controls over wage setting — the reforms were embodied in the OTC (Conversion into Public Company) Act, 1988, which had received its second reading speech before the crisis broke.

Overall, as Christos Mantziaris, a barrister who is one of Australia's leading experts on government business enterprises, put it, "the (Hawke) government had indicated a clear policy line on both executive and nonexecutive remuneration: GBEs were to be given a free hand."

However, what one hand of government gave, the other took away. In effect, Willis's intervention, ham-fisted as it was, merely confirmed that the fundamental, albeit always unstated, rule of the public sector remained firmly in place: decisions should not embarrass the government of the day.

That there were cases in which controversy could not be avoided was obvious; but in those cases, the relevant ministers had an unquestioned right to be forewarned, ensuring they would not be ambushed by the howls of public outrage.

Perhaps because he lacked public sector experience, Coates had not respected that rule; as for Maltby, who quietly sympathised with Labor and had enjoyed a good relationship with Willis's predecessors, he had made the mistake of taking the Hawke government at its word. Nonetheless, once it became clear that his relationship with the minister had broken down, Maltby realised his position was untenable — as it would have been for the chief executive of a privately owned business who had lost the support of its owners — and, acting in the best interests of OTC, he stood aside.

Although the crisis was deeply traumatic for Maltby, who had joined the organisation at 18 and risen through the ranks, he neither complained nor threatened legal action.

Indeed, to the best of my knowledge (and I knew him moderately well), he refused to comment publicly on the events; simply put, it would have been inconsistent with the weather-beaten stoicism of a generation shaped by the Depression and World War II.

The idea of casting himself as a martyr never crossed his mind — after all, the decision to resign was his own. Yes, the hammering the Hawke government inflicted on his reputation was grievously unjust; but it scarcely compared with the hardships many Australians had endured in making this country what it is.

Instead of grandstanding, the right thing to do was to defuse the clash and allow OTC to get on with the job.

Unfortunately, that was then, and this is now. To quote Billie Holiday's old song, today's motto is "When I'm full of misery, I've got a right to sing the blues" — especially if the misery can be cloaked in the white of purity and sheeted home to the horrors of alleged misogyny.

And with even battle-hardened chief executives, who one might have thought were inured to the toughness of life — and well paid to bear its vicissitudes — deeming themselves fragile lilies of the valley, to refuse the sympathy those tender blossoms demand is to be heartless, cruel or evil.

To make matters worse, the list of plights for which outpourings of public sympathy can be demanded has expanded immeasurably, stretching from the sting of insult and the wound of rebuke through to the (no doubt lamentable) fact that our workplaces are not chapels.

Even prime ministers, it seems, must remember that we are a nation not of eggheads but of eggshells, always at risk of fracturing.

Perhaps. But when public enterprises take contentious decisions, governments are no more capable of ignoring them than they were in 1988. On the contrary, perpetually poised, in their

own minds, on the edge of a social media precipice, today's governments live in a world where swiftly and without warning, wrathfully and without mercy, stupidity strikes. Constantly haunted by the fear of failure, the less they can actually control, the more they are being held to blame, typically in terms dripping with venom.

The whole notion that businesses governments own, and for which they are ultimately accountable, can be run on the basis Evans confidently set out in 1988 — of just “letting managers manage” — has therefore proven to be a mirage.

Rather, incessant attention to political sensitivities is still the unavoidable price of leadership in the public enterprises many voters, rightly or wrongly, seem to want. And when things go wrong, the interaction of the blame game with the cult of victimhood, which is at the heart of the current drama, means that crises, instead of abating, as they once did, can escalate uncontrollably, prolonging their duration and compounding their costs.

Is that fair, notably to taxpayers and consumers? Surely not. Is it efficient? Even less so.

But fairness and efficiency are not what the politics of public enterprise are about — as George Maltby so harshly learnt, all those years ago.