

David Klingberg's Hon Doc Speech

Chancellor Dr Ian Gould

Vice Chancellor Professor Peter Hoj

Distinguished guests which include

My good friends and Colleagues;

Sir Eric Neale Chancellor of the Flinders University,

My predecessor as Chancellor of the University of South Australia, the Hon Dr Basil

Hetzel, and Former Council member Dr Norton Jackson

Council members, Doctors of the University and Emeritus Professors,

Staff,

Graduands and Ladies and Gentlemen,

How strange it is to be back on this stage, this time at the other end of the Chancellor's handshake!

I am deeply honoured by this award and thank the University and Council for their decision to confer it. And I thank Professor Peter Lee for the very flattering citation.

Firstly can I congratulate the University and Council for their continuing recent successes? I believe the University's achievements in the last year have been nothing short of remarkable. It continues to position itself extremely well as a major national and international player in partnered applied research and quality, accessible education, with a commitment to nurturing high achievement in both its students and staff.

As strange as it is to be receiving an award here today, it is even more unusual for me to be delivering the Occasional Address. During my ten years as Chancellor, I presided over hundreds of Graduation Ceremonies and listened to just as many addresses. Upon reflection, the best of them always contained similar elements – they weren't too long, they offered some sound professional advice and provided a laugh or two. I'll do my best to follow this winning formula!

Some of my most memorable moments as Chancellor actually took place at Graduations. We have had a guest speaker upstaged by a heat exhausted sparrow, I have been

embarrassed by leaving some of my speech notes behind in the dressing room and I have appreciated the occasional irreverence from the graduates by being called 'eminence', 'cool dude', 'grandpa' and other such titles.... and once even having my shoes kissed! -Please don't get any ideas for today, graduands

In my closing remarks at each Graduation Ceremony, it was always my role to refer to the Graduate Qualities – encouraging graduates to reflect on the qualities, know that they possess them and to carry them into their professional and personal lives. In speaking to you today, I thought I'd take my own advice and reflect on one of the Qualities in particular. I want to bring it to life for you all and to remind you of its significance, particularly from a professional perspective. So, lets talk about what it really means to be 'committed to ethical action and social responsibility' in business.

Although we teach wealth and profit creation are fundamental parts of a democratic society, we also teach they must be generated in ethical and responsible ways. Ethics serve to identify good, desirable or acceptable conduct. The presence or lack of responsibility and ethics within corporations can have significant political, social, economic and environmental ramifications. Indeed, they can mean the difference between life and death.

I spent more than 25 years in corporate management, principally as one of the early partners of Kinhill Engineers. I consider that I'm fortunate never to have had to face a really serious situation where a mine, a bridge, a building or a dam collapsed, or a process plant exploded or caused an environmental disaster. Yet I have become very interested in corporate disasters and the related topic of corporate responsibility.

We can all reel off the names. Close to home there have been Nippy's, and Garibaldi; fortunately very few in this state which have caused loss of life, unlike a little further a field — Esso's Longford gas plant, the landslide in Thredbo, the West Gate Bridge collapse, and the Glenbrook Train disaster.

Overseas, you may recall the Exxon Valdez oil spill, the Piper Alpha North Sea gas platform collapse, Chernobyl in Russia, the Bhopal Gas Tragedy in India and the Maccabiah Bridge in Israel, Ffizers faulty heart valves, Nestle's poor breast milk substitutes and Dow Corning's leaking silicon breast implants to name but a few.

And the news has been full of financial disasters of late, particularly as the Global Financial Storm wrecks havoc on corporations around the world. Financial collapses may not lead to the direct loss of life but they can certainly still be disastrous.

Many of you will move on to being managers and directors in a range of industries and you will need to have a professional interest in corporate responsibility, and in planning for safety and disaster management, whether you work in small firms or large corporations. You will have a role in ensuring corporate 'spin' is honest, responsible and ethical. You may also need to be mindful of how to manage post-disaster communication and publicity.

As I say, I'm fortunate that I have never had to deal directly with a corporate disaster. It is, in fact, a personal connection which has really brought home to me the issue of corporate responsibility – this is my good friend and business colleague's story, the late Maurice de Rohan AO OBE. Maurice was formerly the South Australian Agent General based in London and was nominated as Governor of South Australia before his recent and untimely death from cancer.

On 6 March 1987, Maurice's 27 year old daughter Alison and her husband were killed. They were on their honeymoon and were returning to England from a trip to Belgium. This is how it happened.

At 6.05pm in the evening the cross channel ferry Herald of Free Enterprise sailed from the Belgian port of Zeebrugge for Dover. In a hideous accident brought about by design faults, an absence of simple safety measures such as an open/closed light on the bridge, overworked staff, and inadequate operating procedures, the huge bow doors of the ferry's car deck were left open and upon departure, water flooded into the ship at a rate of 200 tons a minute.

Twenty three minutes after its departure, the Herald of Free Enterprise turned right around and rolled over onto a sandbank less than a mile from the harbour. Half the ship was under water. It was dark, and the water was icy cold. Seven hours later the last survivors were rescued. A total of 193 people had been killed, making it the worst peacetime maritime disaster involving a British ship since World War 1.

The immediate blame was placed on the Assistant Bosun who failed to shut the doors (because he was asleep in his cabin!), and to the captain who was in command of the ship. A later judicial enquiry shifted the focus of responsibility away from human error, and toward the company which owned the ship – and its safety measures and operating procedures. The judge's report stated, 'From top to bottom, the body corporate was infected with the disease of sloppiness'.

Three months after the disaster, the coroner's court brought in a verdict of unlawful killing, and three years after the disaster, crew members and company directors were charged with manslaughter. The case was eventually dismissed on a legal technicality but it set a precedent for corporate manslaughter in the UK courts. As a result, in 2007, the UK Corporate Manslaughter and Corporate Homicide Act was established which allows for 'the prosecution of companies and other organisations where there has been a serious failing, throughout the organisation, in the management of health and safety with fatal consequences.' As I understand it similar legislation is in force in the ACT but has failed to be passed in NSW, Victoria and Tasmania after introduction. It is obviously a contentious issue but speaking as a businessman I would welcome such an approach. The possibility of being found guilty of Corporate Manslaughter surely would give added focus to OH& S responsibilities.

Even in the best managed companies however disasters can happen as a consequence of the risk/reward equation so you, as future managers and marketers, may need to be prepared to deal with serious consequences. We can point to examples of companies that have handled the aftermath well and others who have done very badly. Arnotts, Herron and Panadol did excellent jobs dealing with poisoning threats that were not even of their own making, but were pieces of industrial terrorism, and, fortunately, represented only potential disasters. When a Japan Airlines Boeing crashed in 1985 killing 250 people the company's President visited the family of each of those who died, then resigned his position, but ensured that the company provided ongoing assistance to the families. And in fact it turned out not to have been the company's fault.

In contrast, in the Zeebrugge ferry instance, the company continued to insist it had no collective responsibility – that it was all due to human error. As the book about the Zeebrugge disaster states, the Chairman 'seemed to have difficulty accepting that managers remote from a company's activities could be held responsible for the mistakes of their subordinates'.

Here is what my friend Maurice de Rohan had to say about corporate leadership:

‘Sloppiness at the top leads to sloppiness down the line. If safety is not an issue at Board level, it is generally seen as unimportant at the operational level. The responsibility of the Board of Directors is to establish policy, to put in place the right organisation and to review what is happening to ensure its policies are being properly implemented. In management terms, it is not adequate to say ‘I did not know, therefore I cannot be held accountable’.

That message is for you all. If I leave anything with you today I hope it is the suggestion that when the buck stops, and managers make decisions, they do so, not just from a financial or technical position, but from a strong moral and ethical standpoint that demonstrates real leadership. When marketers create and design promotions, they should be operating from this same standpoint and should not be pressured to ‘spin a yarn’ or paint a picture that isn’t actually true. If you ever find yourself working for a company that compromises your own ethics and sense of social responsibility, I’d encourage you to either speak out or leave.

As our future business leaders, I encourage you all to remember your days at UniSA and the qualities you have nurtured as a graduate of this institution.

So in concluding and to adhere to my formula, I close with a story about the engineer and the manager and remember I am an engineer.

A man flying in a hot air balloon realized he was lost. Reducing altitude, he spotted a man on the ground and descended to shouting range.

"Excuse me," he shouted. "Can you help me? I promised my friend I would meet him a half hour ago, but I don't know where I am."

The man below responded: "Yes. You are in a hot air balloon, hovering approximately 10 metres above this field. You are between 40 and 42 degrees North Latitude, and between 58 and 60 degrees West Longitude."

"You must be an engineer," responded the balloonist.

"I am," the man replied. "How did you know?"

"Well," said the balloonist, "everything you have told me is technically correct, but I have no idea what to make of your information, and the fact is I am still lost."

Whereupon the man on the ground responded, "You must be a manager."

"That I am" replied the balloonist, "but how did you know?"

"Well," said the man, "you don't know where you are, or where you're going. You have made a promise which you have no idea how to keep, and you expect me to solve your problem. The fact is you are in the exact same position you were before we met, but now it is somehow my fault."

Graduands, I know the message in this story will not apply to you.

I do hope you enjoy the ceremony today and I wish each and every one of you all the very best in your future careers. I hope you find your working lives as rewarding as I have found mine. Good luck and thank you.