Western Mining's messiahs of the new right

Hugh Morgan and Sir Arvi Parbo have taken on politicians, unionists, clergy, Aborigines; indeed anyone blocking their vision of what Australia should be. Here, TIM DUNCAN profiles Western Mining's dynamic executive team which is fast becoming the "scourge of the left."

HUGH MORGAN'S industry colleagues say that there is no corporate figure like him. But they also say that no other executive director has a chairman such as Sir Arvi Parbo and, in any case, there is nothing quite like their Western Mining Corporation.

One could be forgiven for wondering whether Western Mining is a mining company, a speech factory, a first-class public entertainment service or, simply, a political party that got lost in the desert, began to dig for gold to pass the time and found uranium and God in that order.

Consider the soft-shoe shuffle that Morgan and Parbo have been dancing in public lately. Morgan kicked off an inspired autumn of speech-making with an estimate that Australia's 827 politicians each cost taxpayers $262,394. Days later, Parbo opened his account with the suggestion that an index of movements affecting Australia's international competitiveness be published each day beside the weather map.

April was strangely quiet perhaps the "fundamentalists" (as Collins Street colleagues call WMC) were gathering strength for the May offensive. But it was worth the wait.

In a flurry of widely reported manoeuvres, Parbo targeted the wage-fixation system, holding it responsible for Australia's post-devaluation economic prospects. Five days on and Morgan hit out at high taxation "always the twin sister" of impoverishment. A further five days and Parbo had beefed up his presentation on wages. Unless there were some real cuts to reflect the decline in the value of the dollar then the country faced the future of a South American republic.

Five days more and Morgan was back in the fray, once again on taxation, comparing the despotism of modern government with that of abbots in 16th century monasteries. Although tired, to the delight of all he was able to deliver the memorable line: "Let me move quickly from the 1530s to the 1980s."

The May offensive caused mounting consternation along the way. Parbo took on both Simon Crean and Bill Kelty (respectively senior vice-president and secretary of the Australian Council of Trade Unions), with the latter angrily rejecting the idea that workers should bear the brunt of devaluation. Federal Environment minister Barry Cohen dismissed Morgan's views on government and politicians as absurd. But even the most senior members of cabinet displayed their irritation.

Those to crack back were the minister for Industry, Technology and Commerce, John Button, and Foreign Affairs minister, Bill Hayden. Button accused Sir Arvi of having locked himself into the "banana republic syndrome," which was strange coming from one who is prepared to embrace similar analogies himself. More telling for WMC, however, was the response of Hayden who only recently had been asked by cabinet to report on possible uranium sales to the Philippines and Egypt, a subject dear to the corporate heart of Western Mining, a part-owner of Roxby Downs.

Hayden urged Parbo to turn his guns from wages to tax avoidance but, for Morgan, he reserved the full fury of a Queensland battler's class resentment, noting "an inverse relationship between intelligence and the inheritance of wealth." It only remained for Ken Coghill — former vet, apparent specialist on right-wingers and currently parliamentary secretary to the Victorian cabinet — to proclaim that Morgan and Parbo were beginning to wield an unhealthy influence on the Liberal Party and, perhaps, even on the ALP itself (outside Victoria, of course).

Since the spectacular attack on proposed national land-rights legislation last year, still famous for its biblical defence of mining, the Morgan phenomenon has continued to gain substance. Employing a mind-boggling arsenal of rhetorical devices that make reporting him a pleasure for both friend and foe, Morgan has been broadening his assault on the Australia of "Yellowcake Bob." Tagged "Hugh the Baptist" by some, Morgan has pronounced on the crippling impact of arbitration, on the affront to civilised val-

Three WMC heavyweights: Morgan, Reynolds and Parbo
ues in Aboriginal affairs developments, on the anti-social nature of conservationists and he has argued that Australia's historians are becoming culturally seditious, its politicians basic plunderers, its public servants medieval in outlook and its unions despotism.

Morgan's range and output has been extraordinary and, more recently, as his ability to attract front-page treatment in the popular press has grown, his erstwhile role as the defender of the corporate sector has developed into an overtly activist, broader-based crusade for the attention of middle Australia.

Now that Parbo has relinquished his chairmanship of the Business Council of Australia and is thus free take up his own (just as formidable) public speaking role, WMC boasts two of the best known and most articulate business politicians in the country. Add to these the contributions of WMC's director of operations, Keith Parry, in Western Australia, and the director of exploration, Roy Woodall in South Australia - both of whom speak widely and regularly in Perth, Adelaide and overseas - and you get a very unusual, highly political corporate style.

The Morgan phenomenon and the WMC soft-shoe shuffle may offensive might constitute a continuation of what The Bulletin last year called the new right. But just as important, those who watch Western Mining see these developments as expressions of a particular company philosophy and structure which, in turn, promotes the development of executives who are expected to perform in any area (political or otherwise) as a natural extension of management.

The organisation of WMC reflects its operational history and its relatively small size - only 4000 to 5000 employees, compared with the roughly 20,000 at CRA and the 50,000 at BHP. No production staff can be found behind desks at Western Mining's Collins Street head office. Parbo runs operations close to the group's traditional gold mines at Kalgoorlie and its later nickel mine at Kambalda. The location of Western Mining's exploration division in South Australia also reflects relative autonomy - Woodall is a long way from Perth and Melbourne. Parbo says that WMC's head office is like an egg with three yokes.

Some industry observers point out that Western Mining's organisational structure runs parallel to the career development of its current crop of senior executives. Each is left to run his own patch, while Parbo steers from a distance. Whereas once, people said, it was unclear where Parry, Woodall and Morgan stood should Sir Arvi retire, now Morgan seems to have strengthened his claim.

The generally decentralised nature of Western Mining is complemented by a very lean central administration. For instance, there is no investment manager as such at Collins Street. Rather, brokers see Morgan or WMC's director of them is John Reynolds, who presents himself as just a simple de-frocked metallurgist and who, along the way, just happened to become a specialist in the emerging International Law of the Sea and in the impact on Australian mining of multi-lateral organisations linked with the United Nations. Reynolds played a key part behind the scenes in getting the politics of Roxby Downs sorted out.

Flanking Reynolds is Ray Evans, another engineer. However, Evans is unusual in that he was an import from academia, recruited by Parbo after a career change in his 40s. Evans was active at Melbourne University during the 1960s, often in the company of a group that formed around the magazine Dissent which included among its luminaries former Bulletin journalist Peter Samuel and philosopher Lauchlan Chipman. Later, Evans was involved with the Australian Council of Educational Standards, a pressure group that became the bane of the teachers' unions and on which he briefly associated with Dame Leonie Kramer (now a Western Mining director). It is difficult to discern exactly the degree of Evans' contribution to Morgan's speeches. A prediction for quotes from Boswell's Life of Johnson is the most obvious input. But, perhaps, Evans' main contribution has been to introduce Morgan to the academic world of ideas, thus facilitating what Morgan himself accepts has been a rapid but essential humanities education.

As one Western Mining director of finance, Don Morley, instead. The idea is that senior management, even if overloaded through carrying out a multiplicity of functions, is more effective.

This principle extends to both public and government relations. In Melbourne, Morgan and Parbo deal directly with the press, while Parry does the same in Perth. They do not go out of their way to consult each other before delivering a major speech, the idea being that speech-making is part of a senior executive's job to be carried out as he sees fit. Western Mining executives often boast that they have no public relations specialists, explaining that since public relations can win or lose the group fortunes it must be therefore considered a senior responsibility. In contrast with other corporations, there are few internal checks on the public activities of senior staff, with no professional "flak" educating executives towards habitual prudence.

Even the most important corporate affairs executives in Western Mining are not the administrative types that one often finds in mining houses. One
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As one Western Mining director
told the *Bulletin*: “We don’t have any organisational charts here … rather, you have the guy first and they develop their job. When you join you don’t know what you are joining.” But because their organisation is so lean, senior Western Mining executives are forced to take on many of the management tasks that their contemporaries in other companies would normally delegate.

Morgan’s schedule is an extremely demanding one but no more so than that of Parry. As president of the West-
guns (such as BHP or CRA) Western Mining is not always able to provide representation on many of the industry bodies’ key standing committees. The reason is that it does not have the reserves of central staff.

Although sustained public speaking on national affairs is a risky and time-consuming business, Parbo strongly encourages it. “It is a part of our business to speak,” he says, “just as much a part of our business as finding ore. Sometimes it’s even more relevant to what happens to us than finding ore.” Parbo

“I had not really understood the extent of the politicisation in the churches until the comic book episode,” he explains, referring to a booklet co-sponsored by the so-called social responsibility arms of the Catholic and Uniting churches in 1982. The booklet portrayed miners as socially evil and it concentrated mainly on the emerging land rights debate. President of AMIC at the time, Morgan met the leaders of both churches and threatened to sue if the booklet were not withdrawn. It was.

“It was an enlivening experience,” he recalls. “What concerned me was that there were many good people in the church who had let splinter groups get control of the political agendas of the church and thus the cover of respectability within the community. In the same way that the Australian Conservation Council was captured, so you could see a capturing process within the churches.”

Jim Strong, director of the Australian Mining Industry Council, says that Morgan’s main contribution lies in his acting on the realisation that to attempt to change one issue in isolation will not work. Rather, the need is to change public opinion over a wide front through a broadly-based campaign. What some people call political activism Morgan himself sees as a natural adjustment of management functions to the demands of the times.

The technique, he says, is to learn from your opposition. “That’s where the forces that have created public opinion are … and that’s where you have to go. If you think you have been outmarshalled, the first thing is to go and study the opponent who has been so successful.” Thus the origin of the catchy lines for the press and the attacks on public sector privileges or closed shops, many of them employing both the language and the emotiveness once monopolised by the left.

But such tactics have required the continual education of Morgan himself: “In order to understand what is going on and respond to it, I’ve got to understand more about it and the only way to do that is to participate in it.”

Morgan participates in political discussion almost every time he speaks, since mostly question times run for hours after a formal speech. But much more is required. He will turn up at a host of obscure but, for him valuable intellectual discussion groups, ranging from the *conversaciones* run by Professor Claudio Veliz at La Trobe Uni-

Drilling at Roxby Downs: Industry sources claim WMC benefits from institutions it criticises
University, to the Friday Club run by journalist Anthony MacAdam above a Melbourne hotel bar to ponder the state of the world.

There is a well-trodden track of academics, polemicists and ideas merchants that lead into Western Mining's lunch room. One industry colleague recalls Roger Scruton, the editor of the aggressively conservative English journal, the Salisbury Review, deep in conversation with Morgan and Evans - the three striding down Collins Street.

The outcome of all this thought, talk, reading, speaking and attacking is that Morgan serves as a public affairs icebreaker for industry in general and the mining industry in particular. In this way Western Mining pays its industry dues many times over.

"Previously, people were reluctant to go public for fear of offending government and prejudicing their own enterprise," says Strong. "But Morgan is in the van of the realisation that other interest groups receive greater public attention because industry has sterilised itself. He's seen that you have to be as aggressive and as dramatic as they are in a climate where debate takes place in such volume at such speed."

But the ice is often very thin. Morgan got away with his land-rights speech, although industry colleagues say that inside Western Mining it seemed tough and go at the time, especially with Roxby's future still uncertain. Having employed the outrageous to such stunning effect, the temptation is towards more such remarks - the linking of conservationists with murderers such as Ned Kelly was one. Those who watch Morgan closely are concerned that having become a genuine upper class media event with a vast audience, the pressure is on Morgan to debase his hard-won currency by becoming so predictably perverse that he ceases to attract attention. Indeed, at a recent taxation economists' seminar it was hard not to see Morgan as anything but light (if welcome) relief, an impression reinforced by Morgan laughing as he delivered the audacious lines that might have won him headlines last year.

There is also a growing concern that Morgan can practice history, philosophy and theology without a license only for as long as the professionals let him get away with it. Probably to its
great cost, the intellectual left has preferred to smear Morgan with the racist or the silvertail tag, rather than to take him on. But the right is beginning to give him some attention. Morgan's Ned Kelly speech was challenged most strongly in the conservative magazine Quadrant and his Australia Day attack on a historian for suggesting that Captain Phillip may have deliberately introduced smallpox to Aboriginal Australia has been countered in Quadrant as well.

Finally, like any corporate figure who dabbles in the world of ideas, Morgan is vulnerable to the charge that the principles he espouses are remote from some aspects of the operations of his company. For instance, there is a view held in oil industry circles that despite the delays resulting from the requirement to consult with 54 government authorities over Roxby, a figure that Morgan and Pardoe have made famous by comparing it with the three authorities involved at Kambalda in the 1960s, Western Mining ultimately did very well there. As a company looking for finance for Roxby, it was said that while the Western Mining speech machine turns out ritual condemnations of institutions such as the Foreign Investment Review Board, the reality in the case of Roxby was that the FIRB gave Western Mining priceless bargaining power in its negotiations with British Petroleum.

Similar criticisms can be heard in parts of the aluminium industry which sees in Western Mining's holding in Alcoa, (thus in the Portland aluminium smelter project) a participation in the sort of corporatist alliance of business, government and unions which disrupts established markets, distorts prices and wastes productive resources and which is precisely the cosy arrangement that Morgan repeatedly criticises.

Free marketeers also point out that despite Morgan's repeated attacks on the evils of unionism Western Mining runs "closed shop" mines in WA.

Yet for all its perils, the Western Mining approach to management is an extremely potent brew. It grooms executives steeped in the primacy of down-the-line operations. It demands that they resist the temptation to delegate and that they take on personally the political tasks of defending their men in the field, in whatever manner they deem to be effective. Whether the style will survive the expansion of the group is a moot point. It is often the case that the larger the company and the more diversified its interests, the more its political needs contradict each other and the softer its voice in public affairs.

But, at least, for now the "interventionists," "armchair jockeys" or the public sector-dependent "New Class" as Morgan variously labels Western Mining's foes, can probably count their lucky stars that the Australian corporate world has produced so few outfits like Western Mining and so few activists like its senior executives.