

In the Footsteps of Charles Copeman

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Management and politicians can be bigger barriers to prosperity than unions.

IRON ore is one of our biggest export industries. Yet, to exist and flourish it has had to overcome the obscurantism of both government and Australian industrial relations practices.

There are three big iron ore producers in Australia: Rio Tinto (60 million tonnes); BHP (55 million tonnes) and North Ltd (30 million tonnes). The industry has developed largely since the export embargoes were lifted in 1960. The 1938 ban on export of iron ore came six months before Menzies refused to allow the *WWF* to disrupt the *Dalfram* to sail for Japan loaded with pig iron. Like the sobriquet 'Pig Iron Bob', the ban on export of iron ore lasted too long: 23 years. The reason given by Casey in 1955 for not lifting the ban was that 'Australia was poorly endowed with iron ore resources'. The ban reduced trade to almost nothing. Forty years later, a million times as much is exported, with an estimated value of \$4 billion—enough to pay for the entire Victorian public health and justice systems.

This is probably due to two men: Lang Hancock and Charles Copeman. Hancock's story is well known. In 1961, he proved Casey wrong by sighting, from the sky, iron ore in the Pilbara, in massive quantities and close to ports. Other miners quickly entered the field to develop Hancock's finds—Rio Tinto and Peko-Wallsend. Less well known is Copeman's role in dismantling the union stronghold at Robe River, when he was chief executive of Peko.

By the time he came to Robe in 1986, management had allowed a whole host of restrictive practices to develop. The halcyon days of the 1960s and 1970s, when Australia enjoyed an unchallenged pre-eminence as an exporter of iron ore to Japanese markets, created a climate in which management appeared to give little priority to cost control and productivity, providing that continuity of production was main-

tained. At Robe River, over 200 restrictive work practices were in place. Strikes occurred over the demarcation of work and such trivial items as a shortage of ice-cream flavours and the temporary failure of an air conditioning unit.

The 'power switch' episode that prompted Copeman to make a stand is illustrative of the management weakness at Robe. On 28 May 1986, a fault at a sub-station that provided power to the whole Pilbara region caused all power to be temporarily cut. A powerhouse superintendent prudently decided to restore power by pressing a switch. The Electrical Trade Union mounted a 24-hour strike in protest, maintaining that only an ETU tradesman was entitled to reset the circuit. There was a subsequent six-day strike in response to the 'inadequacy' of the penalty imposed on the superintendent.

In the context of a dwindling Japanese iron ore export market, such practices and incessant industrial action were starting to bite into Robe's productivity and profit margins. By June of 1986, the project was making a loss and dwindling stockpiles caused long delays to shipping. The five months to the end of July 1986 were financially disastrous. In the midst of crisis, Copeman took action.

Contrary to those who were keen to label him as inherently anti-union, Copeman knew that the real problem was the Robe management. Any new approach to industrial relations would be frustrated if management continued to be intimidated by the unions. So, on 31 July 1986, Robe dismissed most of its senior management and installed a much smaller team of well-proven people from Peko operations around Australia. A memo was circulated asking, 'Are you aware that at the mine, railway and port there are over 200 restrictive work practices in force?' and informed workers that this situation would not continue. The new management

intended to honour industrial awards but were not going to be bound by onerous unofficial 'site practices'—the result of previous (bad) management practices.

The unions responded by making an application to the Western Australian Industrial Relations Commission for an order restoring these work practices. After a battle in the industrial tribunals, in the media and on the ground, Copeman won: on 18 August 1986 workers returned on the basis of work in accordance with existing registered Agreements and Awards.

In retrospect, Copeman's aim was modest. He wanted to pare back terms and conditions and work practices to only those contained within the registered agreements. Throughout the dispute, Copeman maintained that his focus was the practical realities of running a successful business rather than the political. In an interview with *The Australian Financial Review* Copeman said, 'What I want to see is a return to work of employees at Robe River on sensible terms. We didn't set out for Robe River to be a watershed or anything like that. If it becomes so, that is a reflection on a lot of other people's perception of what is happening in Australian industrial relations.'

But it did become a watershed. Robe profits were up. Eighteen months after the dispute, the operation was producing three million tonnes more iron ore with 400 fewer people. This increase has continued to the present day. In the period 1997/98, Robe achieved the record result of over 30 million tonnes of ore hauled and shipped.

Not only a watershed for Robe but all over the Pilbara. Although other mining companies were reluctant to align themselves with Robe policies, through fear of negative publicity and supply interruptions, they could not afford to ignore the statistics. Rio Tinto's Hamersley Iron introduced individual

contracts in 1993. Profits, productivity and production have all risen markedly.

By contrast, BHP did not follow Robe's lead. In 1986, the new chief executive, Gordon Freeman, criticized management of Robe and emphasized the importance of consensus and communication. The workforce was granted a 4 per cent pay rise in exchange for 'goodwill'—agreeing in principle to moving toward flexible job structures. By 1988, BHP was struggling to meet the increased international demand for iron ore. No longer able to offer the lucrative deals that were the customary price of productivity increases, management stood up to the unions, refusing to recognize site convenors. The unions responded in the spirit of 'goodwill' with industrial action. BHP management reverted to negotiating directly with the unions.

But now BHP has got in on the act. In November 1999, the organization offered about 1000 of its employees the choice to move from industrial Award-based conditions to individual agreements. Half of these have been accepted and the unions are resorting to the Federal Court in an attempt to bolster a bargaining power that is ebbing away on the ground. President-designate of BHP Iron Ore Graeme Hunt stated that, 'we no longer believe [the current system] can deliver the progress we need to compete successfully in the global market.' And stating further, 'we think that the current system has run out of steam and this new system is necessary for us to be able to move the organization forward.' Finally.

The iron ore industry and indeed workplace relations in Australia are greatly indebted to Charles Copeman. His efforts at Robe provided the catalyst for change. He carved out a space in which the companies could begin to open the dialogue between management and workers without the interference of the arbitration system and the unions. In June of 1999, Copeman was appointed a Member in the Order of Australia (AM) for his achievements in the mining industry. Perhaps this belated gesture goes some small way to rectify the otherwise inadequate recognition of his foresight and tenacity.

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I P A

New Class Suicide

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IN 1995, my *IPA Review* article 'Losing Their Faculties?' looked at some of the dreadful courses imposed on students by Australian universities. This return to the crime scene shows the same academic confusion of fashion, political bias and propaganda. But perhaps we are seeing the suicide of the New Class. As the utter, unrelenting triviality drags drearily on there is—from personal observation—a growing, sniggering reaction amongst students.

Simon Leys defines the university as 'a place where scholars seek truth, pursue and transmit knowledge for knowledge's sake—irrespective of the consequences, implications and utility of the endeavour'. The actual agitprop nature of the beast is found in this invitation to a lecture by a master's student in Creative Arts at James Cook University:

The thesis centers around the idea that Western culture suffers imbalance [sic] due to a disparity in the way we think because emphasis in the west is focused on the male in the male/female psychic dichotomy [sic]. The works seek to restore balance by manifesting the female.

In the course description for 'Australian English' at the Australian National University (ANU), books are replaced by text selections in a 'reading brick' to aid a study of 'the language used to describe and control the indigenous population'. To consider the 'experiences of personhood' in the course 'Culture and Person', the 'case studies used include sexuality and sexual identity, witchcraft, madness and time/space'.

In 'A History of Western Sexuality, specific topics will vary from year to year, but will include three or four of the following: fertility, contraception and abortion; transmitted diseases; sexual violence; prostitution; pornography; homosexual/lesbian and bi-

sexual identities; cross-dressing; masturbation; sexual panics and moral regulation; race, nationalism, eugenics and sexuality; sexology and sexual knowledge in various periods'. No, love doesn't get a mention.

From these undergraduate studies, a promising ANU student may proceed to higher studies. Current PhD topics, which involve three years' full-time research, include 'A Social History of the Cash Register in Australia' and 'The Militarisation of Australia in the 1950s'.

Robert Manne has written that 'far from being the Mickey Mouse subjects of conservative imagination, those courses that are anchored in critical theory are, in fact, extraordinarily demanding'. Did he mean the University of New England course 'Approaches to the Study of Religion'? Seemingly more a Gilbert patter song than Mickey, it may mask profundities of French philosophical cloudiness:

This unit examines a number of the major approaches to the critical study of religions, including the historical, theological, philosophical, psychological, anthropological and sociological, political and feminist.

The same university offers 'Why study Religion?' and suggests this answer:

One important general reason for Australians is to understand an important aspect of the life of the diverse cultural groups in our nation, since religion has had a profound influence on the history and development of many of them. It is important too for Australians to understand the place of religion within the cultures of many of our closest geographical neighbours.

As this goes on, a PhD student in Communication Studies is completing 'A Study Concerning "The Bill" and Television Police Drama' and the Geography Department teaches first-year units on 'Earth in Crisis' and 'Australia: Sustainable Development?'.

REVIEW