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978-0-521-83311-0 - The Big End of Town: Big Business and Corporate Leadership in Twentieth-Century Australia

Grant Fleming, David Merrett and Simon Ville

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The Big End of Town

BIG BUSINESS AND CORPORATE LEADERSHIP IN TWENTIETH-CENTURY AUSTRALIA

Never before has a book been published which provides such a comprehensive study of Australian corporate leadership over the past 100 years. *The Big End of Town* is the first proper national business history of twentieth-century Australia. This book traces the evolution of large business enterprises in Australia, from the giants of the nineteenth century — such as Dalgety, CSR and BHP — to the contemporary leaders in News Corporation and Qantas. It delves into why the market leaders became the major players, examines what was crucial to their success, and their roles in leading the Australian economy. By investigating their evolution, this book provides a useful evaluation of the factors that have led to their competitive success and provides an essential guide for all businesses in Australia and beyond.

Grant Fleming is a senior lecturer in the School of Finance at the Australian National University and Vice-President, Wilshire Australia. David Merrett is an associate professor in the Department of Management at the University of Melbourne, and recently edited *Business Institutions and Behaviour in Australia*. Simon Ville is Professor of Economics at the University of Wollongong. He is the author of several books including *The Rural Entrepreneurs* and *The Development of Modern Business*.

‘Nothing even remotely like it has been published in Australia. It will be widely quoted for many years to come.’

Geoffrey Blainey

‘There is nothing like it available. The volume is in the tradition of others that deal with the major industrial nations around the world.’

Mira Wilkins, Florida International University

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Preface

Australia's leading corporations today are household names — Telstra, Qantas, BHP-Billiton, AMP, Commonwealth Bank — to name but a few. They have contributed to and had influence over our economic progress throughout the twentieth century, and their broad spread of shareholders helps to keep them in the public consciousness. Few Australians, however, would know much about how our leading corporations came into being or which firms were our corporate leaders 100 or even 50 years ago. The history of Australian enterprise has not been well served by academic scholarship (the exceptions are few), which has focused largely upon the evolution of the broad macroeconomy. We lack the rich tradition of business history scholarship available in nations such as the United Kingdom or the United States.

This book begins the process of redressing these omissions. It brings to light our corporate leaders and analyses the course of their progress over the twentieth century, locating their experience within the broader Australian economy and the comparative experience of enterprise in other developed nations. We are less concerned with the operational detail of these firms and more with their broad and long-run strategic directions. In particular, we focus upon the common (or unique) features of their corporate strategies and structures. In which directions did they develop? What methods and resources were deployed? What organisational form did these firms take? And how were they governed? We do not seek to provide a comprehensive story of one or all of our companies, but rather to present a broad, representational picture by drawing upon wide-ranging evidence relating to many relevant firms. Thus, we see this work as an important grounding for business history in Australia in the years to come, providing a base on which students and scholars may build to pursue new or more focused issues, and to evaluate critically our broad conclusions.

In completion of this project we acknowledge financial support from the Australian Research Council. Valuable academic feedback was received from

three anonymous referees, participants at the Corporate Leadership in Australia conference at Wollongong in September 2002, and, in particular, paper discussants Professors Paul Robertson and Gordon Boyce. Earlier drafts of particular chapters were also presented at conferences of the Economic History Society of Australia and New Zealand in Sydney (1999) and Kalgoorlie (2001). The Faculty of Commerce at the University of Wollongong provided facilities and funding towards the organisation of the corporate leadership conference, with Sonya McKay conscientiously administering the event. We are grateful to Andrew Parnell, Helen Bridge, Paola Crinnion, and Janne Skinner for research assistance.

The story of Australia's corporate leaders is dynamic: after all, corporate leaders come and go, although their time in the spotlight will vary. As we write at the beginning of a new century, many of the firms most prominent in our study are experiencing new challenges — Pacific Dunlop has been fundamentally restructured as Ansell; BHP has merged with international mining and metallurgy company Billiton; CSR has demerged its heavy materials from its building products and sugar businesses; Australian Gas Light Company is enduring increased competition from the deregulation of its traditional energy markets; Coles Myer and General Motors-Holden's are struggling to maintain domestic market share; National Australia Bank, Foster's and Lend Lease are faltering in their internationalisation; Burns Philp, Mt Isa Mines and AMP are at critical stages in re-evaluating their corporate strategies and past decisions; and Ansett has collapsed. The twenty-first century will bring a new generation of corporate leaders to Australia. We hope that through this book we might understand something of their evolution and place in the wider scope of Australian business history.

This book is supported by a website, which contains valuable additional information including updates on particular corporate leaders where their circumstances have changed subsequent to the book's publication. In addition, the website will support what is referred to as Appendix C in the text. This is the full companies database containing the names and asset size of all of the top 100 companies in each of the six benchmark years studied. Space constraints and the ability to update this list where necessary account for its location on a website. Follow the links from <<http://www.cambridge.edu.au>>.

Grant Fleming
David Merrett
Simon Ville
June 2003