

Is BHP really about to split from the Minerals Council's hive mind?

Written by Marc Hudson, PhD Candidate, Sustainable Consumption Institute, University of Manchester

Shareholder action has struck again (perhaps). The [Australasian Centre for Corporate Responsibility](#), on behalf of more than 120 shareholders of BHP, has [convinced the Big Fella to reconsider](#) its membership of the [Minerals Council of Australia](#).

Business associations and umbrella groups exist to advance the interests of their members. The ones we know most about are those that are in the public eye, lobbying, producing position papers that put forward controversial and unpopular positions (while giving their members plausible deniability), running television adverts, and attacking their opponents as naive idealists at best, or luddites and [watermelons](#) (green on the outside, red on the inside) at worst.

Read more: [Risky business: how companies are getting smart about climate change](#).

This has been going on for a century, as readers of the late Alex Carey's [Taking the Risk out of Democracy: Corporate Propaganda versus Freedom and Liberty](#) will know. (Another Australian, [Sharon Beder](#) ably continued his work, and more recently yet another Australian, Kerryn Higgs, [wrote excellently on this](#).)

Alongside the gaudy outfits sit lower-profile and occasionally very powerful coordinating groups, such as the Australian Industry Greenhouse Network (see Guy Pearce's book [High and Dry](#) for details).

Ultimately, however, membership of these groups can have costs to companies – beyond the financial ones. If an industry body strays too far from the public mood, individual companies can

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feel the heat. This happened in the United States in 2002, with the [Global Climate Coalition](#), a front group for automakers and the oil industry that succeeded in defeating the [Kyoto Protocol](#) but then outlived its usefulness. It happened again in 2009 when a group of companies (including [Nike](#), [Microsoft](#) and Johnson & Johnson) decided their reputations were being damaged by continued membership of the US Chamber of Commerce, which was taking a particularly intransigent line on President Barack Obama's climate efforts.

Doings Down Under

What's interesting in this latest spat is that it involves two very powerful players. Let's look at them in turn.

The Minerals Council of Australia (MCA) [began life in 1967, as the Australian Mining Industry Council](#), when Australia's export boom for coal, iron ore and other commodities was taking off.

From its earliest days it found itself embroiled in both Aboriginal land rights and environmental disputes, having established an environment subcommittee in 1972. Over time, the Council took a robust line on both topics, to put it mildly.

In 1990, at the height of green concerns, the then federal environment minister [Ros Kelly](#) offered a scathing assessment of the council, saying that its idea of a sustainable industry was:

...one in which miners can mine where they like, for however long they want. It is about, for them, sustaining profits and increasing access to all parts of Australia they feel could be minerally profitable, even if it is of environmental or cultural significance.

Meanwhile, the council's [intransigent position on Aboriginal land rights](#), especially after the [19](#)

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[92 Mabo decision](#)

, caused it to lose both credibility and – crucially –
[access to land rights negotiations](#)

[Geoff Allen](#), a business guru who had created the [Business Council of Australia](#), was called in to write a [report](#), which led the Minerals Council to adopt its present name, and a more emollient tone.

The MCA's peak of influence (so far?) was its role in the [Keep Mining Strong](#) campaign of 2010, which sank Kevin Rudd's planned super-profits tax. The following year, it combined with other business associations to form the [Australian Trade and Industry Alliance](#), launching an [advertising broadside](#) against Julia Gillard's carbon pricing scheme (which was not, as former Liberal staffer Peta Credlin has [now admitted](#), a "carbon tax").

Bashing the carbon tax.

The MCA has since kept up a steady drumbeat of attacks on renewable energy, and most infamously supplied the [\(lacquered\) lump of coal brandished by Treasurer Scott Morrison in parliament](#)

Read more: [Hashtags v bashtags: a brief history of mining advertisements \(and their backlashes\)](#)

The most important thing, for present purposes, to understand about the MCA is that it may well have been the subject of a reverse takeover by the now defunct Australian Coal Association. In a [fascinating article in 2015](#), Mike Secombe pointed out that:

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Big as the coalmining industry is in Australia, it accounts for only a bit more than 20% of the value of our mineral exports. Yet now the Minerals Council has come to be dominated by just that one sector, coal... Representatives of the biggest polluters on the planet now run the show.

This brings us to BHP. As a global resources player, with fingers in many more pies than just coal (indeed, it has spun its coal interests off into a company called [South32](#)), it has remained phlegmatic about carbon pricing, even as the MCA and others have got into a flap.

Read more: [Say what you like about BHP, it didn't squander the boom](#).

To BHP, the advent of carbon pricing in Australia was if anything a welcome development. The move offered two main benefits: valuable experience of doing business under carbon pricing, and a chance to influence policy more easily than in bigger, more complex economies.

In 2000, the company's [American chief executive, Paul Anderson](#), tried to get the Business Council of Australia to discuss ratification of the Kyoto Protocol (which would build pressure for local carbon pricing). He couldn't get traction.

[Interviewed in 2007](#)
, he recalled:

I held a party and nobody came... They sent some low-level people that almost read from things that had been given to them by their lawyers. Things like, 'Our company does not acknowledge that carbon dioxide is an issue and, if it is, we're not the cause of it and we wouldn't admit to it anyway.'

The schism

As the physicist Niels Bohr [said](#), "prediction is very difficult, especially about the future". I wouldn't want to bet on whether BHP will actually go ahead and leave the MCA, or whether the

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Minerals Council will revise its hostile position on environmental sustainability.

BHP has promised to “make public, by 31 December 2017, a list of the material differences between the positions we hold on climate and energy policy, and the advocacy positions on climate and energy policy taken by industry associations to which we belong”.

In reaching for a metaphor to try and explain the situation, I find myself coming back to [an episode of Star Trek: The Next Generation](#)

. The heroic crew has captured an individual from the “Borg”, a collective hive-mind entity. They plan to implant an impossible image in its brain, knowing that upon release it will reconnect, shunt the image upwards for the hive mind to try to understand, and thus drive the entire Borg stark raving mad as it tries in vain to compute the information it is receiving.

This analogy is admittedly crude, I’ll grant you. It is, I submit, also a pretty accurate picture of what might happen when an MCA member grows a climate conscience.

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Read more <http://theconversation.com/is-bhp-really-about-to-split-from-the-minerals-councils-hive-mind-84407>