



Michael Kroger

December 1997

MICHAEL KROGER IS THE PLAYER. He punts, hedges, calculates, seduces, pulls strings. He goes for all the bases. Sport, the law, merchant banking, boutique investments, gold, diamonds, antiques, and, of course, politics. He moves from one to the other with silky self-assurance, lighting up rooms, always listening, flattering, influencing. And nearly always prevailing.

There are those who wouldn't trust him in a sun-drenched alley—they've seen the backroom manipulations behind the front-of-house charm. They've seen how many people's stars have risen or fallen on his say-so. They know only too well how this Liberal Party wheedler and *force majeure* operates.

In August 1993, when Kroger's friend Malcolm Fraser was defeated by Kroger's other friend Tony Staley for the Federal presidency of the Liberal Party, it was Kroger, a man 27 years his junior, to whom Fraser looked for moral support. In early 1994, when Treasurer Peter Costello decided—after much agonising—to run as Alexander Downer's deputy and challenge John Hewson and Michael Wooldridge for the leadership of the Liberal Party, the first person he called was Kroger.

Later that year, when John Howard began angling for Downer's job, it was Kroger's counsel he repeatedly sought and Kroger to whom he turned when he wanted the way paved for his ascension. On election night 15 months later, Kroger sniffed the political wind before anyone else to announce a Coalition victory. The following afternoon he hosted a barbecue for 300 people in his sumptuous early Victorian Melbourne home where they gathered around Peter Costello, Kroger's best friend, to listen to him interview the newly-elected Prime Minister on a special amplified phone hook-up.

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His region of influence is vast. Broadcaster Alan Jones, with a daily national audience of up to 800,000 listeners, counts him as a great friend. 'We talk all the time,' Jones says. 'He's a very good supporter. We're pick and stick. We're in the pick and stick club. We're mates and we've got a little circle of friends and we stick with one another.'

These are the new 'mates', as distinct from the old Labor mates, who now, in varying degrees, wield power and influence across the country. This informal clique around Kroger includes Treasurer Costello; Publishing & Broadcasting Ltd managing director James Packer; former Greiner government minister and now political consultant Michael Yabsley and his wife, Susie; John Williams, the son of Crown Casino boss Lloyd Williams; investment banker Alastair Walton and Defence Industry, Science and Personnel Minister Bronwyn Bishop.

'We're all loyal,' says Jones. 'Terribly loyal. Very loyal. No way you would divide us. But that wins wars. Loyalty.'

Part of being the ultimate player, of course, is to have no fear. To be as brazen as you are smart, to bow to no-one. If that means taking on the radical Left at university at 18 wearing a then deeply unfashionable polo-neck shirt, then so be it. If it means starting your own law firm at 25, then absolutely. If it involves launching a political operation against the union movement at 28 to re-draw Australia's industrial relations map, then do it. If it requires running for the presidency of the Victorian Liberal Party at 30, purging the party of its 'deadwood' and then getting your best mate into one of the choicest Liberal seats in the country, well, hell yes.

If it also requires starting your own merchant bank and advising the likes of the Packers, Solomon Lew and the National Australia Bank, well, of course, that's entirely feasible too.

As is re-launching Fabergé as a brand name around the globe and flying to Moscow to lobby former Soviet President Mikhail Gorbachev to come and open your store in Melbourne. (Well, okay, that one didn't come off.)

And if it means running for Federal Parliament once your best mate is finally Prime Minister, well sure, that might be a good move, too. Anything is possible and probable—when you're The Player.

MATE, M-A-A-A-T-E, HOW YA DOING? Sure mate, whenever you're ready . . . M-a-a-a-t-e, come on up.'

The premier address in Melbourne, 101 Collins Street, is home to some of the most distinguished banks, law firms and investment houses in the country. To meet Michael Kroger here on the 22nd floor, in the blazing

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ambience of his merchant bank, J.T. Campbell, surrounded by Boule cabinets, chests and French empire day beds, with views stretching beyond the business grid to the Melbourne Tennis Centre, is to find a kingmaker in his throne room.

This is where some of the great political and business deals have been hatched in the past few years: Bronwyn Bishop's ill-fated putsch for the leadership of the party in 1994; the removal of John Hewson as leader the same year and the installing of Alexander Downer in his place; the execution of Downer and his replacement by Howard. (It was Kroger who called Sir Joh Bjelke-Petersen, Sir Charles Court, Malcolm Fraser and, crucially, Howard's ancient enemy, Andrew Peacock, to ensure Howard's path would not be blocked.)

It was here in the same year that Kroger fielded calls from party elders urging him—unsuccessfully—to stand for Peacock's seat of Kooyong. Two years later Kroger, together with others such as Costello and Andrew Robb, helped persuade John Howard to be magnanimous to Peacock and give him the long-service reward he'd always sought—the ambassadorship to Washington.

More recently Kroger has been exercising power and influence in the business world, being paid handsomely to lobby his mate Costello on behalf of the Packers when they were seeking to have the cross-media ownership rules changed so that they could buy the Fairfax press. (Kroger is no longer working for Packer and vehemently denies he was on a success fee of \$14 million, or anything like it.)

He has taken up the cudgels for the Lew family company, Australian Retail Investment, in its bid to take over fashion house Country Road. (J.T. Campbell is being sued by Country Road.) He is counselling National Australia Bank chairman Don Argus in the business of bank mergers and the government's opposition to aspects of the Wallis report; and has put together a deal on Moldflow, a company with investors such as James Packer (although Packer pulled out before he made his money), Rodney Adler's FAI and Alastair Walton, head of CS First Boston's Financial Institutions group.

His other list of clients includes Service Corporation International, the world's biggest funeral service operators, and Hancock Prospecting, owned by Gina Rinehart, daughter of the late Lang Hancock. Kroger was appointed company vice-chairman recently and his brief is to provide corporate and legal advice to Rinehart on matters ranging from developing her iron ore projects in Western Australia's Pilbara region to doing battle with her former stepmother, Rose Hancock Porteous.

Finally, Kroger is also chairman of Fabergé Australia and the proud owner of one of the famed Fabergé eggs now on loan to the Swedish

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National Museum. (The list of lenders to the museum includes Queen Elizabeth, the Forbes family, the Kremlin Armoury and, well yes, Michael Kroger.)

In between his business deals, in this place of law books and opulence, he talks to the Treasurer on a regular basis and to John Howard, Malcolm Fraser, Tony Staley, Jeff Kennett (occasionally), Liberal Party powerbroker Ron Walker, Lloyd Williams, Alan Jones, Michael Yabsley.

This is the new mates' sanctum. From this gilded room, one of the great stage plays of Australian business and political life has been conducted in recent years and now, it's safe to say, there is little that has eluded 40-year-old Michael Kroger, except the obvious—a parliamentary career. But that too, he believes, is within his grasp once he has had his fill of commercial wheeling and dealing.

When might that be? 'Probably when I'm 50,' he says, pointing out that this time frame would minimise any possible rivalry between himself and Costello—the rationale being that Costello, after 17 years in Federal Parliament, may have had enough by then.

By the same token, he readily concedes he could enter Federal politics much earlier if the dream he has long shared with Costello is realised. 'I'd seriously consider it if he [Costello] becomes prime minister,' Kroger says. 'Post Howard, he is the obvious and only person who can lead the party and if the party chose anyone else, it would be making a very bad mistake which I'm sure it would regret.'

Former prime minister Malcolm Fraser is just one of many who believes the Liberal Party would be better off if Kroger decided to enter Federal politics. However, Ron Walker, Federal treasurer of the Liberal Party as well as Kroger confidant, believes Kroger has left his run too late. 'I think he missed a golden opportunity by not taking the seat of Kooyong [in 1994],' he told me in a rare interview.

'It would be an ideal world for anybody to believe they could suck the juices out of business and then turn their mind to politics and reach the top. But I don't think there's anybody in the history of the Western world who's done that.

'So if Michael came to me at 50 and asked my opinion, my advice would be the same as it is now: it's too late, don't chance your arm.'

Fine. But try telling Michael Kroger not to chance his arm.

ANYONE WHO REMEMBERS THE FILM *Von Ryan's Express* starring Frank Sinatra will have an appreciation for the kind of man Jack Kroger was. The film was based on the escape by Michael Kroger's father from a German prisoner-of-war train in Italy during World War II.

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‘The men drew lots in the carriage and they cut a hole in the side of the train with knives and jumped out onto the tracks at night,’ says Kroger. ‘Dad was the third one out and some of them jumped too close to the train and were killed. By the time they got to the 15th or 20th guy the Germans had realised what had happened and they killed the lot of them.’ Only two men, Jack Kroger and another, made it to safety.

Jack Kroger was courageous, dashing, a first-class cricketer and a legendary master at Wesley College where he taught for nearly 40 years, the last eight while Michael and his brother, Andrew, were still in junior school. He died in 1987, nine days before his son became president of the Victorian Liberal Party.

Both Jack and his wife, Lorna, were Liberal Party supporters without being doctrinaire. Lorna was—and still is—passionate about the prevention of cruelty to animals; Jack about the benefits of a solid education. Both believed in a strict but loving family environment.

Somehow from this ordered, middlebrow Glen Iris household a class warrior emerged, a young man who was to become known as a New Right bover boy.

It was a reputation earned long before the Dollar Sweets union dispute entered industrial relations folklore or before champions of moderate liberalism like Ian Macphie fell under the Kroger sword.

The politicisation of Kroger began after his schooling in the mid-1970s on the windswept, ideologically charged campus of Monash University when the world seemed skewed a thousand degrees to the left of where it is today.

For the Trotskyists and Marxists who dominated student political life then, the great rallying points were opposition to the Vietnam War, Israel, apartheid and, by the end of 1975, the sacking of the Whitlam government.

To be a member of the ALP student club in those days was considered almost fascist. To be a Liberal supporter was unthinkable. They weren’t even on the map—until Kroger came along.

Tim Costello, Baptist minister and brother of Treasurer Peter Costello, remembers Kroger as absolutely unabashed and courageous in his support for the Liberal Party. ‘I was two years older than him [and Peter] at Monash and he was a person who never sought to avail himself of the prevailing views, whether it was hair length, dress codes or political ideas,’ he says.

‘From the earliest days, other students might have been exploring their identities and changing hats. Michael didn’t seem to have any need for that exploration. He was always convinced of his beliefs. It was like he was an adult when the rest of us were students. People couldn’t

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believe him—that he would actually admit to being a member of the Liberal Party.’

As president of the Monash Liberal Club, Kroger decided to take the Left on, helping stitch together a curious alliance that included young moderates [then] such as Peter Costello and members of the Labor Right such as Michael Danby. Confrontation was the preferred method.

‘I remember him at a student committee meeting,’ says Tim Costello, ‘listening to the Marxists raving about how society needed to change and Michael interjecting, saying: “Come on, what school did you go to? Come on, admit it, you went to Scotch or Xavier, didn’t you?” He was laughing and there they’d be, shamefaced about their awful bourgeois pedigree.’

Asked about this later, Kroger disagrees. ‘I don’t think we ever attacked anyone on the basis of their background or educational history or wealth or poverty, but I was certainly a confrontationalist in relation to ideology.’

By 1976, the Left considered Malcolm Fraser the apotheosis of evil for his role in Whitlam’s dismissal. At Monash in 1976, he’d run the gauntlet of thousands of demonstrators when he arrived to open an education centre, being forced to hide in a toilet and then escape via a moving car. As angry crowds swarmed, Kroger could be seen on a nearby hill yelling, ‘Good on ya, Malcolm.’

The following year Kroger ignored the repeated admonishments of the vice-chancellor and registrar by inviting Fraser once more on to campus, this time to deliver the inaugural Sir Robert Menzies lecture. Again, there were riots. ‘I liked Fraser then,’ explains Kroger, ‘and I like him now . . . and, yes, I brought him out to Monash in difficult times.’

Malcolm Fraser has never forgotten the gesture. Indeed, when it came time to concede defeat in the 1983 election, the highly emotional outgoing Prime Minister could be seen embracing Kroger after he left the podium. ‘If he told you he would give you his support, then he would,’ Fraser says now. ‘He wouldn’t jump out of the ship when the weather got a bit rough. In politics that is a rare quality and it was something I appreciated while I was Prime Minister.’

With Fraser’s support, the Liberal Students won a titanic struggle with the radical Left in the late ’70s for control of the Australian Union of Students (now National Union of Students). At Monash, Peter Costello, known for his brilliant, fiery oratory and the fact that he’d been beaten-up by an anarchist, was eventually elected head of the student association.

Kroger once told ABC’s *Four Corners* program he and Costello had plotted the destruction of the radical Left by learning how to get the numbers without ‘a joint in our hands. We always had a clear head

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[whereas] they had a touch of the Bill Clinton in them—and did draw back.’ To this day, Kroger says he has never tried marijuana.

In learning how to form tickets, attract membership and argue unpopular positions, Kroger and Costello discovered what was vital in becoming tough-minded, hard-headed barrackers for their cause. ‘You don’t find Liberals today like Michael who are over 45,’ says political commentator Gerard Henderson. ‘They did things in the 1970s their predecessors never did and, in doing so, learnt a lot of political skills.’

‘I learnt not to have many fears,’ Kroger offers. ‘It was a terrific grounding in terms of building self-confidence, getting up and speaking in front of 1,000 students . . . especially when you’ve got about 500 of them yelling at you, saying, “Sit down, you bastard, you right-wing extremist, you Fraser crony.”’ He chuckles like an errant schoolboy at the memory.

But Kroger didn’t just take on the Left. He took on the Young Liberal movement, too. As a member of the Australian Liberal Students Federation—he was eventually to become its president in 1978—Kroger believed the Young Liberals to be champagne socialists, too limp-wristed to fight the good fight.

Louise Asher, now Victorian Minister for Small Business and Tourism but at the time a rising star in the Young Liberal movement, remembers Kroger as a ‘loathed and feared’ individual. The Genghis Khan of student politics. The Young Liberals believed—rightly—that Kroger’s goal was to take over the movement and install himself as president. To do that he had to get himself on the most powerful committees by currying favour with Asher and other members of the executive.

‘I remember he rolled around to my place one day and took me down to the pub for a couple of beers,’ Asher says. ‘He then proceeded to tell me what a good bloke he was. I was a bit incredulous. I thought some [sexual] move was on, but it was a political move. He’d picked off half the executive and was charming, courting and laughing with us, explaining he wasn’t the guy we thought he was.’

Asher remained unimpressed and their relationship deteriorated when she eventually beat him for the position of policy vice-president. By the time Asher became the first woman president of the Young Liberal movement in 1981, their relationship was apparently beyond repair. Which is when Kroger made his second move.

‘He wanted a rapprochement,’ says Asher, ‘so he asked me around to his flat for dinner. He gave me smoked salmon for entree, roast lamb for the main course and I can’t remember the dessert but I remember a lot of wine. We played 45s all night and we talked music and footy. We had a fabulous, fabulous night and that was the turning point. I liked him after that—and my faction was aghast.’

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IT HAS BEEN SAID THERE are two kinds of people in the world: those who walk into a room and say, 'There you are,' and those who say, 'Here I am.' Needless to say, Michael Kroger falls into the second category.

'He has an ego the size of a house,' says one close associate who asked not to be named. 'He is like a little boy, petulant and naughty. He loves being the centre of attention and he's just so full of the moment, you really know you've been exposed to his radioactive presence.'

At the same time he will never waste an acquaintance. He literally talks to anybody and when he gives you his rapt attention, in combination with his unruly humour, it can be as disarming as it is unpredictable.

'We were in Turkey during martial law,' says Michael Yabsley, 'and I will never forget him going up to this soldier with a submachine gun, trying to engage him in conversation. I was trying to beckon him away, but he was saying, "No, no, come on, this guy's on for a chat." And Kroger did actually manage to engage him [in broken Turkish]. I don't know anyone else who could do that and get away with it.'

John Allen, one of Kroger's closest friends and a prominent Melbourne head-hunter now handling a number of executive appointments for the Kennett government, is equally won over by Kroger's ebullient personality.

'Michael had a meeting once in the heart of Athens which fell through,' Allen recalls, 'so he rang me at midnight on Sunday my time.' The conversation went like this: *Hello, I'm in Athens. Yes, I know you are. Look, the people who I was meant to be meeting aren't here. So why are you ringing me? Because you're going to go to your car and you'll ring them on your mobile phone while I wait here and you'll tell them where I am. Why can't you call them yourself? Because I can't dial their mobile number from where I am.*

'So I had my life completely reorganised at midnight, but it was done with such humour and charm there was no way I could have done anything different. It was the same when he rang once from New York at 6 am my time and this voice said: "I only want to know the [football] score." Doesn't say hello. There is nobody in my life who could do that to me.'

There's also nobody who has shown Allen more loyalty and concern in a time of need. 'Men are very private when they go through dark hours and there were some very dark hours at the end of my marriage eight years ago,' Allen says. 'Michael alone shone a torch into that darkness, introducing me to a lot of people, giving me a lot of fun and, generally, taking me into his magnetic field.'

Kroger possesses one other crucial gift. He has the common, as well as

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the uncommon, touch. His passions straddle diverse worlds—horseracing, golf, cricket, football, antiques, history, fashion.

‘Michael has a worldliness that the others don’t have,’ says Alan Jones. ‘Even Peter [Costello]. Peter would be uncomfortable at the races . . . [whereas] Michael will still be with me at the last race at the Moonee Valley trots on Derby Day. It’ll be 10 past 12 and we’ll still be looking for a trifecta. And wherever he is, he’s got a word for them [the average punter] . . . That’s how Hawke got there. Hawke sort of just won people over.’

It’s no accident, therefore, that Kroger has his admirers on the Labor side of politics. ‘What I appreciate in discussions with Michael,’ Bob Hawke tells me, ‘is his open-mindedness. He is not a person who believes his side of politics is necessarily right on everything.’

‘I imagine most people in the ALP think Kroger’s an ogre,’ adds former Labor heavyweight Graham Richardson. ‘I just don’t see him that way, which is not to say I share a lot of Michael’s views. But I’ve liked Michael from the first moment I met him on the set of Channel Nine in 1990. He sounds every inch like a Labor bloke. He doesn’t have a plum in his mouth. He can go into a working-class pub, smoke a cigarette, use a four-letter word and not be thrown out immediately . . . It would take them at least an hour to work out what he meant, and then they would throw him out.’

BUT IT WAS NOT ALWAYS so cosy. For many years Kroger’s militant conservatism, particularly on industrial relations, made him a vilified figure among those who recoiled from industrial combat. In 1992, for example, Kroger, while president of the Victorian Liberal Party, was attacked in Federal Parliament by Labor’s Clyde Holding for having allegedly hired an ‘agent provocateur’ to spy on and incite pickets during a meatworkers’ industrial dispute. Kroger, it was claimed, had wanted to use the resulting information to institute legal action for damages against the union.

Holding called for Kroger’s resignation as party president, claiming it was unacceptable for someone in his position to be hiring a man with a criminal record.

Kroger denies now that the man he hired was an agent provocateur. ‘If you think one balding 50-year-old is going to scare the living daylights out of 100 meatworkers, well, believe what you like,’ he says.

As for the man’s criminal record (embezzlement, dishonesty, larceny and impersonating a police officer), Kroger says he had no idea about this at the time he hired him. Anyway, it was a long time ago. ‘Mate, if we’re

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all judged by what we did 20 years ago, we're in serious trouble.'

Michael Kroger cemented his reputation as a champion of the so-called New Right some years earlier, in 1985, when the Melbourne company Dollar Sweets became embroiled in a dispute with the small Federated Confectioners Association.

The union had begun strike action in support of a 36-hour week after rejecting the Arbitration Commission's wage principles. With the work-force split, the company had been picketed and its management subjected to death threats.

The company sought advice from Kroger and Kroger, the law firm run by Michael and Andrew Kroger, who, in turn, instructed the then industrial barrister Peter Costello. With backing from the Chamber of Commerce, Kroger, Costello and Alan Goldberg QC, launched a common law action against the union which, to the delight of employers and the dismay of sections of the union movement, they won.

The case had enormous political and legal ramifications. 'It was the first time we'd had a group of Liberals who could really mix it with the ALP and the trade unions,' says Gerard Henderson. 'Kroger and Costello showed they were just as smart as Bill Kelty and Jennie George and they ran a political operation to knock out union power.' When Kroger was elected president of the Victorian division of the Liberal Party two years later he launched another revolution, this time inside the party.

In the face of initially huge resistance, he set about changing the pre-selection system so that branch delegates no longer held complete sway over choosing their local members. In future, head office would have its say.

At the time, the Liberals had lost three State elections in a row and were heading for a fourth and fifth defeat. At Federal level, the party was not even half-way through its years of desolation. In an electrifying speech before a packed State council meeting at the Hawthorn Institute, Kroger exhorted the party to change or suffer further humiliation. With a standing ovation, the party chose the former.

The effects were tumultuous. On May 5, 1989, Peter Costello replaced the sitting member for Higgins, Roger Shipton, in a well-executed pre-selection coup. The following day Ian Macphree, a highly respected moderate and former minister in the Fraser government, was ousted after 16 years in Parliament. He was defeated by Kroger's friend David Kemp, presently Federal Minister for Employment and Education. About one month later, Kemp's brother, Rod—also a Kroger friend—was preselected.

Shocked by these developments, Malcolm Fraser felt compelled to speak

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out, warning that the loss of Macphee would harm the image of the party. Kroger says now, quite simply: 'Fraser was wrong.'

Chris Puplick, a former Liberal Senator, also forced out of Parliament after a similar demolition job by Kroger's friend Bronwyn Bishop in NSW, cannot conceal his disgust over what happened.

'Michael Kroger represents the most mean-spirited, dog-eat-dog version of Liberalism which is a perversion of everything those who believe in a civil, decent society stand for,' he says now. 'He has systematically hunted out of the Liberal Party in Victoria anybody who disagreed with his hard-line, economically rationalist views.'

'He has demonstrated he believes in a Liberal Party that has no room for the Ian Macphees of the world.'

Told of these comments, Kroger laughs uproariously. 'Chris has always been a fair-minded person, hasn't he? Well, he's on another planet. We brought into the Parliament people of extraordinary ability irrespective of ideology.' Besides, he says, it was the branch membership that revolted against Macphee.

Kroger certainly obtained the results he was looking for. At the 1990 Federal election, the Liberal Party in Victoria confounded the national trend by wresting 10 seats from Labor. Kroger was to become a revered figure, his party's uncontested numbers man who had finally managed to instil into the Victorian Liberals the kind of ruthless efficiency that was the hallmark of that other great Australian political tribe, the NSW ALP Right.

No wonder there were those in the party who talked about him as if he were the Liberal's Graham Richardson. 'Kroger has a lot of power so I wouldn't be prepared to talk to you on the record,' says one. 'It only runs the risk of causing drama for myself.'

'The ALP has accommodated the factions but here there has been a complete elimination of core moderate elements. The Victorian machine is really, really right-wing, but more than anything else, it is pro-Kroger.'

It's also pro-Kennett. And yet the relationship between the two men is strained to say the least. 'Too many bulls in the paddock' is how one observer explains the enmity. Another reason proffered is Kennett's dislike of Costello which culminated in a public attack on him a few years ago, as well as Kroger's failure to support Kennett when he resumed the party leadership in 1991.

Kroger says that despite these ructions, their relationship is good. 'It's actually always been good—apart from those two periods,' he says.

On the subject of Kroger being an arch right-winger, he sees himself as far more enlightened than that. 'Mate, m-a-a-a-t-e . . . I'm a modernist

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Liberal . . .’ But it’s obvious Kroger can’t abide what he perceives as the born-to-rule pretensions of old.

During the 1990 Federal election, for example, at a polling booth in the Labor seat of Melbourne Ports, a friend of his noticed Melbourne establishment figure Tom Harley handing out how-to-vote Liberal cards wearing a tweed jacket and smoking his trademark pipe.

Kroger approached him some time later saying: ‘If I ever catch you in a strong Labor booth standing there smoking a pipe, treating the electorate like they’re from another planet, I’ll ram that pipe up your arse.’

Tom Harley’s hatred for Kroger is well known but he declined to talk to me. Not so David White, a minister for 10 years in the Cain and Kirner Labor governments. It was White who caused an uproar in the Victorian Parliament in 1991 by making allegations about a series of complicated share transactions involving Kroger, his brother Andrew and the failed Tricontinental Corporation Ltd. White accused the Krogers of being the beneficiaries of a number of loans which in turn had caused massive losses to the financial institution.

Michael Kroger vehemently denied the allegations then and now. ‘They were commercial loans which went through lawyers and approvals and were all repaid,’ he says dismissively.

While never proved, the allegations caused enormous damage to Kroger at the time. ‘He was a nervous wreck,’ says a close friend. ‘That’s absolute bullshit,’ retorts Kroger, although he admits he has never been able to forgive White for the attack. David White now works directly across the road from Kroger in Collins Street. Occasionally they bump into each other. The exchanges are never pleasant.

‘You miserable shit, you low scum, you f. . . wit,’ Kroger told White the last time they met. ‘What you did was a total misuse of parliamentary privilege. You’re a disgusting individual and a disgrace.’ White stood there bemused. It had been five years since his speech.

THE VICTORIAN LIBERAL PARTY, AN amorphous creature at the best of times, has always had a turbulent relationship with John Howard. Now, after what they’ve seen of him during his first term in office, the view of him is even less generous.

Michael Kroger, a friend and longtime supporter of Howard’s, won’t say anything publicly to harm the Prime Minister but privately he is known to be extremely disappointed with his performance. On everything from race to industrial relations, he believes his mate Costello could have done a far better job.

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Given the enormous closeness between Costello and Kroger, it is worth investigating briefly, therefore, the kind of country this would be if Costello were—as Kroger expects—to become prime minister, and Kroger were to join him in Parliament.

Kroger considers this over dinner at the Bamboo House, the Little Bourke Street eatery favoured by many of Victoria's power-brokers. 'I am right-wing on industrial relations, micro-economic reform, fiscal policy and privatisation,' he says. 'Do I like picket lines? No. Do I like strikes? No. Should they have a right to exist? Yes, but not in a way that unlawfully or adversely affects the financial viability of businesses, particularly small businesses.'

On social policy Kroger insists he is progressive. He wants more job-training programs—the kind the Government has slashed—and government-funded hostels and accommodation centres for the homeless. 'It's not acceptable in our society for there not to be a place for young people to go,' he says.

He approves of the Government's native title legislation but is vehemently opposed to the views of Pauline Hanson. 'The fact that someone is Asian, so what? He's still a human being.'

On the republic, Kroger refuses to comment but it is understood he is a lapsing monarchist. On funding for AIDS, he's all for it. On whether homosexual couples constitute a family unit, he's also unequivocal: 'It's not a traditional family but in modern Australia, is it an acceptable relationship? Of course it is.' Graham Richardson says he doubts Kroger goes to bed at night 'worrying about the fate of single mothers' (did Richardson?) and yet it happens to be an issue uppermost in Kroger's mind. After 14 years with his wife, Helen, and with two small sons, Kroger is now going through a separation and property settlement.

Senior members of the party, including Peter Costello, have urged him to patch things up and return home, with one senior party luminary expressing shock and dismay that he could have left his wife after she gave so many years of unstinting devotion to both him and the Liberal Party cause.

'Michael is clearly not enhancing his reputation by doing this,' the source said. 'He should go back to his wife and have a great time with his kids.'

Kroger is not impressed with the advice. 'We [Helen and I] just grew apart. It happens. It's incredibly sad and that's why we shouldn't be so judgmental. We've all got our faults and failings.'

With that, Kroger walks out into the dank Melbourne night where a woman with matted hair, dressed in rags, immediately bails him up. The beggar tells him she is cold and hungry and needs his help. The two of

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them talk for a few minutes and then Kroger reaches into the pockets of his Italian suit and pulls out a single orange note. It seems he has no idea he is being observed. But then again, maybe he knows only too well. That's the thing about The Player. You never know when he's playing and when he's not.

Postscript

As this book was going to print, Michael Kroger was still head of J.T. Campbell but had resigned as vice-chairman of Hancock Prospecting. At the age of 42 he said he was still three to eight years away from embarking on a parliamentary career.

This article caused a bitter falling-out with Liberal Party treasurer Ron Walker. In July 1998 Kroger also had a public war-of-words with the Victorian Premier, Jeff Kennett, over a Senate pre-selection. Both Walker and Kennett, given their friendship with Andrew Peacock, were invited to witness Kroger's marriage on March 13, 1999 to Ann Peacock, the middle daughter of Peacock and Susan Renouf. (At the eleventh hour Kennett called to say he couldn't attend.) Among those who did attend the wedding at St Michael's Church and the reception at Melbourne's Crown Casino, were the Prime Minister, John Howard, and his wife, Janette, the Treasurer, Peter Costello, the Minister for Communications, Richard Alston, the Kemp brothers, Brownyn Bishop, Alan Jones—the MC for the night—Sonia McMahon, Ainsley Gotto (John Gorton's former private secretary), Tony Staley, Solomon Lew, Lloyd Williams, Lachlan Murdoch and James Packer.

Even in his nuptials, Michael Kroger was still The Player.