



Movers, shakers caught PM's eye

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Body

Leaders Paul Keating reserves special praise for visionary change-makers in banking, mining and entrepreneurship, writes Michael Stutchbury.

When asked to name the business people who impressed him the most during his long political career, Paul Keating starts with Keith Campbell, former head of the Hooker real estate company. Campbell's landmark financial system review in the late 1970s laid out the intellectual case for Labor's financial deregulation and the floating of the dollar.

Rod Carnegie, now 91, also draws praise from Keating in an exclusive interview with The Australian Financial Review to mark his 80th birthday. Carnegie set up McKinsey in Australia and sought to Australianise CRA, now known as Rio Tinto, as CEO in the 1980s. "He was a progressive thinking guy and an economic nationalist," Keating says.

On the other hand, it's hard to pick a banker given the banks hold public licences, Keating says.

Another on Keating's list of business greats is former BHP boss Marius Kloppers, who "broke the back" of negotiating contract pricing in 2010 in favour of using market spot prices for Australia's iron ore exports. "You've got to give him big, big marks for that," Keating says.

Pressed about his complaint about a lack of outward-looking entrepreneurs in the modern Australian economy that he helped create, Keating accepts there are some. He points to Fortescue Minerals' Andrew "Twiggy" Forrest, along with Atlassian founders Mike Cannon-Brookes and Scott Farquhar, and Canva founders Melanie Perkins and Cliff Obrecht.

But the business person that merits a story is Ian McLennan, general manager and chairman of BHP between 1967 and 1977. McLennan helped drive the company's search for oil in Bass Strait and gas in the North West Shelf.

The story takes place in 1975 - just after the defeat of the Whitlam government - when Keating was appointed shadow minister for minerals and resources.

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McLennan caught a train to Keating's electorate office in Bankstown, a suburb in south-west Sydney, on a Saturday morning. He told the young Labor frontbencher that BHP had a chance of buying the exploration leases of the troubled British oil company, Burmah, in the highly prospective North West Shelf.

But with the prospect of a very long lead time for the major gas development, McLennan said BHP would not make the investment if the Labor opposition held to the policy of its previous resources minister, Rex Connor, that the gas should be controlled by the government and used for local industry rather than be exported to Japan.

"I said, 'Sir Ian, you will be very pleased with my answer'," Keating said. "I thought that Rex had made huge mistakes in this because this is a gas-prone continent. And anyone who puts a contract before us, we should sign and anyone who wants to capitalise on it, we should grab in a foot tackle and get their signature on the page."

That convinced BHP to buy part of Burmah's stake in what became Australia's biggest ever resource project. And so began the nation's liquefied natural gas export industry.

Keating then wrote support for the North West Shelf project into the Labor Party's policy platform at its 1977 conference in Perth. The other part of the stake was bought by Shell, which played a big role in building the project. Keating recalls travelling to Tokyo three times with Shell's Ric Charlton to talk to Japanese bankers and gas buyers. And he was impressed with Shell Australia boss and International Olympic Committee member Kevan Gosper. AFR

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