



A director with a golden touch for connecting

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Body

Business acumen Mark Barnaba has an uncanny ability to forge close relationships that turn into long-term opportunities, writes Jennifer Hewett.

Mark Barnaba met a brash, young New York property developer in 1988. Donald Trump had sold the iconic St Moritz hotel in Manhattan to Alan Bond for \$US180 million. Barnaba was Bond's young executive assistant.

"Even then, Trump was just extraordinarily firm in his own views regardless of what others thought," Barnaba says. "He's not easily persuaded."

It's one more adventure in a now crowded corporate history that features Barnaba's close relationships with some of Australia's most famous - or infamous - business leaders.

Barnaba promised to work for an almost equally brash and persuasive West Australian entrepreneur for two years in exchange for Bond's help in funding his degree from Harvard Business School.

This was after Bond had read an article about the ambitions of a bright, young university medallist in The West Australian newspaper and immediately called him in for a chat.

The Bond empire collapsed before Barnaba's two years was up. Barnaba jokes he was "green as a cabbage" while Bond was ditching assets - from Chilean phone businesses, to Heileman Brewing, to private aircraft - in a desperate attempt to stay afloat.

But he describes the ability to listen and observe as key to an "incredible education", leading to many more encounters with more billionaire entrepreneurs.

That list includes Andrew Forrest and Robin Khuda. Barnaba has been on the board of **Fortescue** Metals Group since 2010. He will step down as lead independent director next month but remains as deputy chairman.

He is also independent chairman of Australia's latest global success story, AirTrunk, the big data centre developer bought by Blackstone last month for a staggering \$24 billion.

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The evening the sale was announced, Khuda celebrated over dinner at Barnaba's spectacular riverside home in Perth's Mosman Park. Prime Minister Anthony Albanese was another guest.

Chalk it up as another remarkable day and night in the life of one of the country's most well-connected directors - but in almost the mirror image of the stereotypical Melbourne club directors who once dominated corporate Australia. It's the triumph of new money and new opportunities over old - always with the lure of more to come, new records to beat.

Barnaba, for example, is also chairman of Greatland Gold, which is in the news after paying \$US475 million (\$709 million) for Newmont Mining's gold and copper assets in Western Australia. This was the largest capital raising in mining in the UK in seven years. Next step is an ASX listing in 2025.

Barnaba, 61, is the son of immigrant Italians and credits his own supportive family for his rise.

But he has also always forged other tight personal connections, helping him become a major player in corporate consultancy work in WA before an array of senior executive roles and directorships.

Over those decades, this has involved stints with McKinsey and his own boutique advisory firms, executive roles at Macquarie Bank and board positions on prominent corporate, sporting and not-for-profit businesses, including the Reserve Bank board.

His enthusiasm for what has been achieved - and by whom - is undimmed.

He happily describes his old friend Forrest and his new mate Khuda as "incredible Australians" he's been fortunate to work alongside.

"It's a privilege working with companies like Fortescue, AirTrunk, Greatland, even in a prior life the RBA and Macquarie," he says.

"Think about how many companies there are that have really exported themselves out of Australia."

It translates into Barnaba's belief in the success of founder-led companies or those that are still greatly influenced by the original DNA in shaping the culture.

"At the end of the day, what separates those companies is culture," he says. "They are all different cultures, but they are distinctive and they are world-class."

"It's difficult to argue that the organisations aren't materially better off still having their founders there."

According to Barnaba, Blackstone is a strong, very supportive and natural owner of AirTrunk and will "bring a lot to the party".

"Both Blackstone and Robin asked me to stay because if it wasn't for Robin, I wouldn't want to be there," he says.

"Often you have to ask: do you make a decision based on the naked nature of the opportunity or on the quality of the individuals involved? Ideally, you want all of one - the people - and some of the other - the opportunity."

So he probably wouldn't have gone to work at Macquarie in 2011, he insists, had it not been for people he greatly admires, such as former chief executive Nicholas Moore and ex head of Macquarie Capital Robin Bishop, doing the asking.

But Barnaba also fosters an instinctive ability to translate personal attachments into long-term business opportunities. When Barnaba became chairman of AirTrunk in October last year, an enthusiastic Khuda cited his extensive background in scaling fast-growing businesses, his entrepreneurial acumen and deep understanding of capital markets.

Yet the major link, personal and professional, was Macquarie and its original investment in AirTrunk.

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As the business prepared itself for an IPO or sale, Barnaba replaced Ani Satchcroft, Macquarie Asset Management's head of infrastructure, as chair. She happened to be married to Alex Satchcroft, an ex-Macquarie banker, who had worked with the current head of risk, Andrew Cassidy, when Ben Brazil was one of the investment bank's key deal makers.

Naturally, Barnaba and Brazil have been friends since their 20s. Naturally, Alex Satchcroft and Cassidy also knew Barnaba well from their overlapping time at Macquarie. Naturally, Cassidy asked Barnaba if he would take a call from Ani Satchcroft.

Those sorts of intricate relationships are liberally sprinkled over Barnaba's corporate record. But are they a little too close for claims to independence? The top echelons in Australia's business community can seem incestuous in their circles within circles, the WA business community even more so.

Barnaba has been close friends with Forrest for decades, for example, as well as being **Fortescue's** deputy chairman since 2017 and lead independent director since 2014. Forrest's private company Wyloo Metals has become a cornerstone investor in Greatland.

Barnaba will only step down as lead independent director after proxy advisers last year questioned the remuneration packages and the sudden exits of a relatively new CEO, Fiona Hicks, along with other key executives.

Fortescue said at the time that Barnaba's replacement would "be a key component of the board's renewal strategy" even though Barnaba will stay as deputy chairman.

Forrest has, of course, made an art form of defying the traditional corporate rules and restraints to build a massive business.

"If anything, I feel more independent than I have during my whole tenure because independence is a state of mind and not an outcome dedicated by length of service on a board," Barnaba argues.

"If you spend enough time on a board with colleagues, you get to know them well and end up sharing aspects of your lives together.

"But it doesn't have to - and shouldn't - impair independence. It never has for me. It's just not in my nature. I wear a badge of objective and independent thinking."

Take that, corporate governance specialists.

What is never in question is Barnaba's admiration for Forrest.

"The man is one of the country's greatest ever industrialists," he says.

"There's no other way to frame that. He has got stamina and energy and vision like no one I have ever known."

And Barnaba has known Forrest a long time.

After several years operating out of London with McKinsey, his initial foray into the boutique advisory world in Perth in the mid-1990s soon included work for someone he had first encountered while still at the University of Western Australia.

"He doesn't remember that, but I remember it, because Andrew always made an impression." Barnaba says drily.

By the time of their renewed acquaintance, Forrest was trying to develop Anaconda Nickel before being forced out in 2001 by investors dismayed at their losses.

The relationship survived and thrived - unlike Forrest's standing with many Australian investors and US bondholders.

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Barnaba has been along for most of the wild ride since the indefatigable Forrest began to build again with **Fortescue**.

This included another near-death corporate experience after the iron ore price collapsed against a heavily indebted business, requiring radical new debt restructuring to be set up at hyper-speed.

Fortescue's perilous dance with survival is in the past. Despite delays or missteps in Forrest's more recent forays into areas such as green hydrogen and nickel, the company is securely enough grounded in the iron ore wealth of the Pilbara to accommodate his ambitions to help lead the energy revolution.

"Andrew's mantra, which we all believe, is to show you can do real zero - not net zero, real zero - profitably and **Fortescue** is in the process of showing that," Barnaba says firmly.

That may prove an even bigger test than creating a new iron ore business.

Nor does Barnaba see any conflict in holding his view on renewables while chairing a massive data centre operator grappling with the extreme, unresolved energy demands of data centres in an artificial intelligence world.

AirTrunk, he says, is one of the most sustainably aware and advanced companies globally, with a policy of net zero by 2030.

"The ones that do it best are the ones that do it from within," he says. "If it's forced on you, you never get as far as quickly."

All such challenges were beyond any board's thinking in the distant era when Barnaba started his corporate consulting career.

In 2001, the WA consulting business he started with two mates and veteran deal maker John Poynton was sold for \$44 million.

"You wake up and think: 'I've got balance sheet'. I never expected that to occur in my 30s," he says, calling it another "life-changing experience".

He went deeper into boutique investment banking, co-founding Azure Capital with Poynton, before selling out of that in 2010 and taking up the role with Macquarie.

Unusually for the perpetually smooth Barnaba, the break with Poynton was personal as well as professional.

None of his activities stopped him holding an extensive variety of WA board roles over the years, ranging from chairman of Western Power to president of the West Coast Eagles to executive chairman of the UWA Business School to chairman of the Black Swan State Theatre Company.

Barnaba was, of course, also friendly with a range of influential federal Liberal cabinet politicians at the time, including factional enemies Julie Bishop and Mathias Cormann. Nicholas Moore was not the only one to make jokes about Barnaba being Mr WA.

But being asked to join the RBA board in 2017 allowed an easy exit from Macquarie. No one imagined a pandemic would transform monetary policy during his six-year role.

"There's no playbook and you are having to make real-time decisions with imperfect information," Barnaba reflects on that extraordinary time.

He won't join any criticism of former governor Philip Lowe over his forward guidance about interest rates staying low for years. Not only did this guidance fail to contemplate surging inflation, it ensured Lowe's unpopularity with the public and politicians

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"It's important to note that the executive, the governor, will put forward a recommendation but it's a decision by the board. Phil Lowe was an outstanding governor and we were terribly fortunate to have him. He stood tall and he did it with integrity.

"Michele Bullock has been a wonderful choice as well."

But as he looks out over the glorious vista of the Swan River, the optimistic Barnaba sees troubles ahead.

Those include many of the typical business concerns, especially in the mining industry, about the impact of the new industrial relations laws, excessive regulation and a tax system no longer fit for purpose.

He is also greatly concerned about inequality, he says, particularly given the cost of housing.

"So what are our issues? Inequality and making sure that the best society is the one that looks after the most disadvantaged," he says.

"Two is social unrest. Three is that Australia still creates opportunities.

"The day we fail to celebrate, or don't generate, an Andrew Forrest or a Robin Khuda is the day we will lose the aspirations of those who are so important to creating our next industries." AFR

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