

# *Person of the year*

## SPECIAL REPORT

Photo: Frances Andrijich



# Forrest's contribution a standout

**IMPACT:** Andrew Forrest's measure of success extends far beyond profit margins. **Photo:** Attila Csaszar

In business and philanthropy, executive diversity and on the sports field, it has been quite a year for Andrew Forrest.



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**T**HERE'S nothing like a billion dollar mining expansion when it comes to lifting the collective spirits of Western Australia's business community, and even more so when that expansion is announced by a high-profile local identity.

And they don't get any more local, or higher profile, than Fortescue Metals Group founder and chairman Andrew Forrest.

In May, Fortescue gave the go-ahead to its \$1.7 billion Eliwana mine-and-rail project in the

Pilbara, a facility that will create more than 500 full-time jobs when operational and more than 1,900 in its construction phase.

Shortly after the Eliwana decision, fellow iron ore giants BHP and Rio Tinto announced major operational expansions, with the three miners collectively committed to spend around \$9 billion on new Pilbara projects.

The knock-on effect of those commitments was palpable – consumer and business sentiment in WA rose to multi-year highs and after years of contraction in resources investment, the state's economy appears set to return to better times.

But in a remarkable 2018 for Mr Forrest, Fortescue hitting the green light on its Eliwana expansion may not have been his biggest achievement.

The Eliwana decision coincided with several important milestones in 2018 for Fortescue – 15 years since it was established, 10 years since its first shipment of ore to

customers in China, and 1 billion tonnes shipped over that decade.

Eliwana was also the first major commitment by Fortescue under the direction of chief executive Elizabeth Gaines, who has been in the role for about nine months after succeeding Nev Power earlier in the year.

The appointment of Ms Gaines, in addition to deputy CEO Julie Shuttleworth, was one of the clearest indications yet that Mr Forrest's measure of success for Fortescue is not solely focused on profits.

"From the very outset, it was Andrew Forrest's vision to ensure that the communities in which we operate benefit from our success," Ms Gaines told reporters at a recent tour of the miner's Pilbara operations.

Fortescue is a leader in indigenous employment, with 14 per cent of its workers of Aboriginal descent, and more than \$2 billion in contracts issued to indigenous contractors or joint venture



**MOMENT:** Elizabeth Gaines' appointment has ushered in a new era for Fortescue. **Photo:** Frances Andrijich

partners over the company's 15-year journey.

Its commitment to diversity also extends past its senior management, with women making

up 17 per cent of its workforce, a number Ms Gaines said the company was striving to increase.

"We have a very diverse workforce, and diversity is not just

\$9bn

COMMITTED TO NEW  
PILBARA PROJECTS BY  
FMG, RIO AND BHP

about gender, it is also about ethnicity and we really embrace diversity in all its forms," she said.

"If you have a room full of people from the same background, with the same training, same education, same gender, you don't necessarily get new ways of thinking.

"And the reason that Fortescue has been so successful and we've been able to grow so quickly is we've actually had people who have come up with ways of doing things that might be a little bit different."

Outside of iron ore, Mr Forrest has had a far-reaching impact over the past 12 months.

Philanthropic vehicle Minderoo Foundation chalked up a significant win in November with the passing of Australia's Modern Slavery Act through federal parliament.

The legislation, which requires Australian businesses to report on the risks of slavery within their supply chains, is considered to be a major step towards eliminating the abhorrent practice and was championed by Minderoo offshoot Walk Free Foundation.

Minderoo also made a major splash in July with the launch of a \$100 million ocean research initiative aimed at studying and protecting marine life.

Part of that investment will go towards establishing a research facility near Exmouth and the launch of a global fishing index, a tool intended to help countries and businesses improve fishing practices and boost ocean sustainability.

Mr Forrest is also giving back to the WA sporting community in a big way, with his Global Rapid Rugby providing the Western Force a lifeline and promising the biggest shake-up in the rugby world order since the sport went professional around two decades ago.

Global Rapid Rugby, recently rebranded from World Series Rugby, will kick off in March and feature teams from Fiji, Japan, Hong Kong, Samoa and Singapore competing against the Force for \$1 million in prize money.

## Coleman brings energy



**FORWARD:** Peter Coleman has had a key role in the looming economic revival in WA. **Photo:** Attila Csaszar

### Matt McKenzie

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WOODSIDE Petroleum chief executive Peter Coleman has played a lead role in the upcoming surge in resources investment, with the Perth-based energy producer pushing forward with two mega projects.

The outlook for the state's oil and gas sector was bleak as recently as a couple of years ago, but the picture has brightened dramatically, in large part thanks to Woodside's plans for about \$35 billion of investment.

If both the Browse and Scarborough projects enter production, Mr Coleman will have successfully turned two of the state's most perennially elusive gas developments into a reality.

The biggest is Browse, which has undergone multiple previous iterations, including an onshore facility at James Price Point and a floating variant.

Mr Coleman's plan is to pipe gas from the field, located off the coast of the Kimberley, about 900 kilometres to the North West Shelf Venture's existing Karratha gas plant.

Achieving alignment between the multiple partners of both

ventures earlier this year was a major step forward for Browse.

The other development project, Scarborough, has long seemed improbable because of its distance from the coast.

In March, Woodside moved to buy 50 per cent of the Scarborough LNG project, giving it a 75 per cent share, backed by a \$2.5 billion capital raising.

The deal included \$US444 million upfront and a further \$US300 million contingent on a final investment decision.

Fluids from the Scarborough field, which contains about 7.3 trillion cubic feet of gas, will be pumped across the Carnarvon Basin through a new pipeline, to the existing Pluto LNG facility in Karratha.

That will give other operators, such as Chevron, an opportunity to tap fields such as Clio and Acme, while Woodside will be building a second LNG train at the facility and a connector to the neighbouring Karratha plant controlled by North West Shelf Venture.

Bechtel was selected as the likely candidate for front end engineering and design work, to commence in March 2019 in preparation for final go ahead the following year.

## Scott shifts focus



**CHANGING:** Rob Scott has made some big moves to sharpen Wesfarmers' business model. **Photo:** Gabriel Oliveira

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AFTER taking the helm at Wesfarmers about 12 months ago, chief executive Rob Scott wasted no time in changing the business model.

The biggest shift was announced in March when the Perth-based business announced it would spin-off supermarket major Coles.

That came just more than a decade after Mr Scott's predecessor led Wesfarmers' acquisition of Coles, making the conglomerate Australia's biggest employer.

Coles, which accounted for 60 per cent of its total capital but only 34 per cent of Wesfarmers' earnings, was returned to the ASX bourse in late November, with its former parent retaining a 20 per cent slice.

The second major change was to back out of the ill-fated move of acquiring UK business Homebase under the banner of hardware chain Bunnings.

That reversal was announced in May, when Homebase was sold to British private equity group Hilco Capital for a nominal sum.

Speaking at the time, Mr Scott said the Homebase adventure had cost shareholders around \$1.3 billion, comprised of a roughly \$400 million loss on the disposal and write-downs announced in February of \$900 million.

Wesfarmers' stock price has suffered in what has been a rough year on the ASX, falling from an adjusted \$33.45 at the start of November in 2017 to be about \$31.70 at the time of writing.

The company has also stepped away from the coal mining business, selling the Curragh coal mine in March to Coronado Coal, and more recently offloading its 40 per cent share of the Bengalla mine to New Hope Corporation for \$860 million.

In November, Wesfarmers sold a 13.2 per cent interest in oil and gas producer Quadrant Energy to Santos, earning \$US170 million.

All up, it means Mr Scott will have plenty of capital to invest in existing operations or acquire new businesses, and shape the company's new direction.

Exactly what that will be, however, is yet to be seen.



# McGowan hits targets, Cormann pro



“ This will be a substantial surplus but this much is clear, the sooner we’re in surplus, the sooner the debt is reduced, the lower our interest payments - Mark McGowan

**COMPOSURE:** Mark McGowan and Ben Wyatt have resisted the urge to splash cash. **Photo:** Mogens Johansen

Mathias Cormann has been deeply entwined in the federal government's fortunes this year, while a win on GST distribution has boosted standing for Mark McGowan and Ben Wyatt.

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MATHIAS Cormann might well have mixed emotions looking back on 2018.

The finance minister was appointed the government's Senate leader in late December 2017, and has been critical in shepherding legislation through the upper house.

In that position, Senator Cormann's greatest triumph was securing the passage of the government's income tax reform package.

The \$144 billion tax revamp meant that 90 per cent of the country would be on the same marginal rate, effectively creating a flat tax system in what was a major, if discreet, economic reform.

Other wins were achieved with regard to national security laws, and changes to deregulate the media industry.

On the flipside, Senator Cormann struggled to get the final, and most important, element of company tax cuts through the Senate – a reduction to a 25 per cent rate for larger businesses.

But it's the events of August that Senator Cormann may reflect on with poignancy.

His decision to withdraw support from Malcolm Turnbull, whose prime ministership was besieged by cabinet colleague Peter Dutton, was widely seen as the seminal moment in a disastrous leadership transition for the government.

When Senator Cormann made that announcement, many thought his shift would mean a definitive victory for Mr Dutton, who was reported to hold a majority of votes.

But Mr Dutton's numbers men had got the count wrong and he only garnered 40 in the eventual spill, beaten by Scott Morrison's 45.

Making it all a bit more awkward, it still isn't clear why Mr Turnbull was iced, given the government's strong economic narrative and proximity to Labor in the polls.

## GST

There's hardly a politician or influencer in Western Australia not keen to take credit for the federal government's long-awaited \$7 billion plan to fix the GST distribution system.

Senator Dean Smith certainly played a role, lobbying hard for the Productivity Commission to review the distribution.

This year, under the leadership of Mr Turnbull, the federal government finally created a package to resolve the issue, and won support from the states.

Senator Cormann and WA colleagues were vital to that solution.

At the state level, Labor and Liberals ran something of a unity



**IMPACT:** Mathias Cormann was the most influential WA politician in the past year. **Photo:** Gabriel Oliveira

ticket on fixing the GST.

One major catalyst for the change was the epic defeat of the state Liberal government led by Colin Barnett in March 2017.

A primary swing of 15.9 per cent away from the party sent shockwaves through the conservative side of politics, prompting warnings of a federal election

# minent

## Ellison still making moves



**IN TRAIN:** Chris Ellison has big plans for Wodgina.  
Photo: Gabriel Oliveira

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THE 2017 *Business News* Person of the Year, Chris Ellison, was again prolific in 2018, leading Mineral Resources during the continued maturation of lithium mining in Western Australia.

Mr Ellison's latest deal was to sell a 50 per cent stake in the company's Wodgina processing project and mining operation, for \$1.6 billion, to American chemicals company Albemarle Corporation.

He has big plans for Wodgina, including a three-train lithium concentrator facility with capacity of about 750,000 tonnes annually.

Construction is under way, and the final train will be completed in the middle of next year.

The second step will be building a lithium hydroxide refinery, one of five under consideration or under way in WA.

Mr Ellison was also involved in saving the Koolyanobbing iron ore mine, which was to be shuttered by US miner Cliffs Natural Resources on the back of a move in the market towards higher grade ores.

In July, MinRes announced it would take over the mine, in a deal that was backed by the state government, with port subsidies and fee waivers offered as sweeteners.

Other moves have included the purchase of the Kumina iron ore project from BCI Minerals, and securing about 14 million tonnes of new crushing contracts.

Looking ahead, MinRes has been working on a major infrastructure development in the Pilbara, a \$1.6 billion plan to build a light rail system and a new port at Lumsden Point.

That would be a multi user facility with a 50-year time horizon.

But there have been a couple of defeats for MinRes along the way.

The Wodgina mine produced 3.5mt of direct shipped lithium ore in the 2018 financial year, against guidance of as much as 4.75mt in November last year.

MinRes nonetheless surpassed its Ebitda target of \$500 million for the year.

The company was heavily involved in a three-way takeover battle for Atlas Iron, a contest eventually won by Gina Rinehart's Hancock Prospecting.

## Canning's growth legacy



**CREATIVE:** Marcus Canning has built Artrage into an organisation worth millions. Photo: Luke Carter Wilton

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AS he takes his final bow next year, Marcus Canning will leave a legacy of major change to the artistic and cultural vibrancy of Perth.

The former 40under40 winner and 2017 Western Australian of the Year in the arts and culture category is chief executive of Artrage and its major ventures Fringe World Festival and Rooftop Movies, and has taken the organisation from turnover of around \$400,000 to more than \$20 million.

In 2011, Mr Canning launched Fringe World Festival, a project that this year reached \$10 million in box office sales, with attendance of more than 900,000 people.

This compares with 2012 attendance numbers fewer than 16,000.

Fringe World Festival is currently the third largest event of its kind in the world.

The festival has played a big part in activating central Perth, with more than 94 per cent of local businesses surveyed in Fringe World's 2018 impact report agreeing the festival had added vibrancy to the area.

Of WA arts companies, Artrage ranks second by revenue on the BNiQ Search Engine with \$21.4 million.

About \$17 million came from operating revenue, far ahead of other arts organisations.

In recent years, Mr Canning has expanded Artrage's offering, launching Rooftop Movies and the Girls School Cinema.

When he steps down from Artrage, Mr Canning will continue to support the revival of the Rechabite Hall in collaboration with Adrian Fini's company, Happy Heart.

The entertainment complex is currently under renovation on Northbridge's William Street, and scheduled to open next September.

As Mr Canning prepares to exit his role next year, after a 17-year tenure, he will leave big shoes to fill, as well as a company worth millions.

"When I started with Artrage I was a 28 year old with a love of Perth and its potential," Mr Canning said.

"I could never have foreseen how the organisation would evolve and grow over the coming decades and the difference we would make."

drubbing if the GST issue was not resolved.

Now premier, Mark McGowan's victory certainly seemed to induce a bigger financial contribution from his federal counterparts, with \$5.6 billion of infrastructure cash secured for WA in April.

That considerable influx in support and the aforementioned GST windfall helped the state government recently announce it would be in surplus as early as next financial year.

"This will be the first time WA will be in surplus in six years," Mr McGowan said at a recent lunch.

"This will be a substantial surplus but this much is clear, the sooner we're in surplus, the sooner the debt is reduced, the lower our interest payments."

Expenditure management by Treasurer Ben Wyatt also played a big role, coming in at around 2 per cent annually after adjustments.

That compares favourably with spending growth by state governments of both stripes right up until the end of the boom.

Mr Wyatt also deserves credit for pushing a privatisation agenda.

Sales of Landgate, betting agency the TAB and of Synergy's renewable power portfolio will enable better service provision for consumers and ensure the state has capital invested in the most pressing needs.

On the negative side, Mr Wyatt has walked back from a plan announced last year to introduce competition in electricity retailing, meaning households will be left with the higher prices (intended to make the system cost reflective) without the benefit of other providers to put pressure on Synergy.

A third minister often cited as a high performer in the state government is Transport and Planning Minister Rita Saffioti.

Ms Saffioti's responsibilities include the roll-out of Metronet, which is still some way from commencement, and reforms to strata laws, which were completed in November.



# Person of the year

## SPECIAL REPORT

**BNiQ SEARCH** Person of the year



There are **34** results from our index of **96,984** articles,  
**9,596** companies and **34,723** people

### Strategic Ellison seizes opportunities

18 Dec 2017 by Mark Beyer, Matt Mckenzie

Politics & the Economy Special Reports Attachment Size person\_of\_the\_year\_report.pdf  
759.01 KB Oil and ...

### Mark my words podcast

15 Dec 2017 by Mark Beyer, Mark Pownall

Scarborough high rise, Colin Barnett, construction jobs, Tox Free, AWE takeover and our  
person of the year. ...

### Darren Lomman

engineering journal. He has also been named WA Young Australian of the Year, WA Young  
Person of the Year, WA ...

### Mark my words podcast

18 Dec 2015 by Mark Pownall, Mark Beyer

privatisations, Roe 8 and find out our choice of Person of the Year? ...

### Wal King joins Ausdrill board

05 Apr 2011 by Dan Wilkie

Property Person of the Year in 2008 by the Urban Taskforce. ..

### Worldly women

20 Feb 2007 by Staff Reporters

community advocate and 2005 WA Young Person of the Year; Alicia Curtis - founder, Alicia  
Curtis Leadership; ...

### 303 on target

21 Mar 2006 by Staff Reporters

its founders, WA industry stalwart Mike Edmonds, picked up the Ad Person of the Year  
award, adding to ...

### Ricky Burges

executive of Perth Zoo, and HR Director at the WA Tourism Commission. She was named WA  
Business Person Of ... The Year in 1997, and awarded a Public Service Medal in 2007. Current  
Positions: Chief Executive ...

### Newsmaker - John Driscoll

03 Apr 2007 by Staff Reporters

became chairman and CEO of the company in January 2005. Mr Driscoll was named WA  
advertising person of ... the year in February 2004. He said the new AFA WA committee would  
be an active force in the industry, ...

### Awards- YMCA Youth Parliament of Perth

25 Mar 2003 by Staff Reporters

of the Year' will be named on April 10. ... Meekatharra; Mark Tomasz of Maylands; Lorraine  
van der Ende of Baldivis Category winners and 'WA Young Person ...

### Carolyn Hall

Royal Automobile Club of Western Australia. In 2008, she was nominated as Ad Person of the  
Year by ...

### Vanya Cullen

2008" and in 2011 the "Green Personality of the Year" for her commitment to the wine  
industry and for ...