

by ARCHIE BAYVEL



## How business-as-usual was never the same again at Fremantle

At the end of a day's research, one can easily find oneself not knowing very much at all about the person that is Mrs Kerry Sanderson.

During her 17 years as CEO of Fremantle's port she has achieved legendary professional success and established a high media and civic profile for the port and for herself. Her name and reports of her deeds are everywhere and Google is bursting at the seams with repetitious references to them.

But if one seeks personal details, anecdotes as distinct from announcements, even criticism however mild one draws a blank. There is no mention of family or hobbies ... even her maiden name couldn't be recalled by an executive who had been close to her for years.

When Peter Dexter, of Wilhelmsen, was our profile subject he was described as an excellent potential prisoner-of-war because all one would get out of him was his name, rank and number ... Until one asked him

to talk about his work and then it was hard to get him to stop.

And so it is with the lady! Mrs Kerry Sanderson, AO, BSc, BEc, DLitt, the recently widowed mother of two adult sons who have accompanied her to Britain to launch what must be the greatest adventure of her already brilliant career.

It's not that she's secretive about her life and times because she answers anything put to her quickly and cheerfully. But it doesn't take long before the coziest of conversations mysteriously turn to bigger bollards, returns on assets, crane spans and performance surveys.

It's as if with so much focus on her achievements the woman behind them has escaped.

Certainly the last two weeks of her reign as CEO at Fremantle must have left little time for introspection. Before leaving to become WA's agent-general in Europe she flew to Brisbane to preside over Ports Australia's national conference. Then she dashed back to Perth for what she described as five days' leave (read packing) before flying out to London where she will be based for the next two years.

"I'll be coming back to WA," she says. "Let's wait and see just when."

It could be a while, what with her sons going to London with her, the family home packed up, and the agent-general's job extending far beyond her London base to cover all of Europe. It is one of WA's largest sources of foreign direct investment. Total trade between the European Union and WA for 2006-07 was \$11.7 billion.

After Fremantle it's her real great escape to a truly international scene.

As agent-general her job has been defined as to raise knowledge of West Australian products and expertise, to expand market penetration of WA commodities and services, promote infrastructure investment and technology, and to attract businesses

and skilled migrants to her home State ...

... And so one sees how easily a personal profile of La Sanderson can quickly morph into reading like a job reference.

She was born in Perth where she has lived for most of her life so far. She began her career with a science degree (double major in mathematics) at the University of Western Australia where she also graduated in economics. In 2005 the university awarded her an honorary doctorate, only a year after she had received her AO for service to port and maritime industries and for public sector governance.

After university she worked for the WA Government becoming director of economic and financial policy at the WA Treasury and then spending four years as the state's deputy director-general of transport.

And then came Fremantle. 1991. She'd have been only 40 when she got the job. Looking back she believes that her training as a mathematician and economist helped her to quickly understand the complex logistics of running a big port.

Since then container traffic has quadrupled to its current throughput of some 580,000 teu and Fremantle is the nation's fourth-largest container port with some 280 employees. The size of its ships has also increased by 80 per cent.

Its existing outer harbour, about 20 kilometres south at Kwinana, is a major bulk cargo port handling grain, petroleum, liquid petroleum gas, alumina, mineral sands, fertilisers, sulphur, pig iron and other commodities.

"Bigger ships need stronger wharves, bigger cranes, bigger bollards, and greater overall efficiency," Kerry says, "and our current annual growth of 9 - 10 per cent translates into trade doubling every seven or eight years.

"We're keeping up but need to progress

quickly because of the on-going rate of growth. We constantly monitor the berths and know our future lies in strong growth and development of infrastructure.

"We're also monitoring the current global as well as the local economic situation. WA is probably overheated; it's hard to get infrastructure bids and to find skilled employees who want to stay. But that pressure will probably come off a bit.

"Let's not forget there's such a thing as a bad patch through which one has to travel before recovering and the fall-back in the China boom is an example.

"But we have a lot of good things across a broad spectrum that will always be in demand. For example, we doubled vehicle imports in the past five years. If that settles back by 20 per cent it's still 80 per cent higher than five years ago. The same thinking applies to housing.

"The questions are: How much is the pull-back and how long does it last?

"But we work so far ahead of demand that we are seeking statutory approval now for all the things Fremantle needs to grow as a port.

"Our inner harbour can currently berth container ships with a maximum draft of 12.6 metres but this will be deepened to accommodate ships of 14 metres draft. Our new rail access is aiming for 30 per cent of container cargo by 2012; and our big outer harbour programme in the Kwinana area is scheduled for completion by 2015.

"It will only expand in stages as trade grows. If you don't expand you have congestion and that would affect trade. Reducing congestion has a very high impact on cost:benefit ratios."

Final decisions on Team-Kerry's outer-harbour plans will not be reached until long after her departure. One of the two alternatives being considered is an offshore island structure linked to shore by a kilometre-long rail and road bridge; the other would be conventionally on-shore. Whichever option is preferred will have an estimated annual capacity of up to 1.7 million teu.

Stage 1 of the new outer harbour aims for a third terminal with two 700-metre container berths. Dubai Ports and Patrick already service Fremantle's inner harbour and the new terminal will go out for expressions of interest in about 2011.

The West Australian government's 2008-09 budget allocated \$377 million to Fremantle's port and rail improvements of which \$194 million will go to capital projects including the first stage of deepening its main channel plus upgrades to the bulk terminal at Kwinana and the existing container terminal.

"When I arrived in 1991, things were pretty bad, especially on the financial side," Kerry recalls. "In some ways that was an advantage for a new leader with a reform agenda because everyone realised that something had to be done.

"But a lot of the thinking was: Okay, do what you have to do to fix things up, then we can go back to business as usual. The message our management team had to get out was that there would be no more business as usual.

"In a dynamic industry, change has to be an ongoing process and that point had to be accepted by everyone.

"The strategy has been to set targets, agree on them with government, then work systematically towards them. The relevant ministers have been willing to provide general support then to step back and let us get on with the task.

"Our operational focus has been on efficiency and quality. We developed a set of metrics, looking at issues such as ship delays and cargo handling productivity. This has been crucial because you need good measures if you are to manage effectively. We used the Australian Business Excellence framework as a guide, and that helped us at every step along the way."

In 2007, Fremantle Ports became the first organisation in Western Australia to receive a Gold Award in Australian Business Excellence.

"These are pleasing results but there are still many things to do," she says. "You have to be willing to consider new ideas and to look at the bigger picture. That's good for the organisation but it's also important for development at personal level.

"My job entailed ensuring the port provides an acceptable rate of return on its assets. The government requires a return of 5-8 per cent of the written-down optimal replacement value of assets.

"It's important to get the balance right and we budget about 18 months ahead.

The port provides the government with between \$16 million and \$18 million in tax and dividends from a turnover of \$100 million-plus."

Team-Kerry makes money for its stakeholder. And for each of the past three years, the port's annual performance survey among its customers has shown a satisfaction level of 96 per cent.

So maybe at the end of the day we do know a little more about WA's Businesswoman of the Year 1996, inaugural member of the Shipping and Transport Hall of Fame, and winner of the Institute of Exports' 2008 Export Hero award. All that's on the record.

But one still can't help wondering: "Who is the private Kerry?" ▲



*OUTER HARBOUR Option 1 (above): An offshore island linked to shore by 1 km rail and road bridge.*

*Option 2 (below): A more conventional on-shore installation with a smaller island component.*

