



7 February 2008

Acting Chancellor, Acting Vice Chancellor, Faculty Members, Ladies and Gentlemen and of course, perhaps most importantly, Graduating Students.

I guess it's been easy for you all to pick the banker up here!!

I'm delighted to be here tonight to address the graduating students.

As you may appreciate I get the opportunity to make any number of presentations a year, but rarely to a large group of people, including many younger faces, who are poised, and I hope ready, to take the next profound step in their lives.

I've always been an unabashed advocate of the need for corporations to continually regenerate through an influx of new and eager talent. That potential is what I clearly see before me today.

Tonight I will talk about aspirations and ambitions. And how personal journeys through life aren't that dissimilar to the way successful corporations such as the Bank of Queensland continually evolve and progress. In other words, where are you going, how do you intend getting there, and probably most critically, what do you do once you've arrived at your chosen destination.

I'd like you to ponder some wise words written by Mark Twain, which in a way encapsulate some of the themes I'll touch on tonight. He said:

“Twenty years from now you will be more disappointed by the things you didn’t do than by ones you did. So throw off the bowlines. Sail away from the safe harbour. Catch the trade winds in your sails. Explore. Dream. Discover.”

The point the great author makes is don’t finish your life with unfulfilled dreams. Be brave, live life to the full and don’t be afraid to seek out far horizons.

My message to you tonight is similar as it’s also about widening your horizons – not necessarily geographic ones mind you, but more ones linked intrinsically to your future career progression. In other words your life long professional journey, and the decisions such a journey will demand you make.

For instance, when the time comes begging, will you be content to remain a pretty big fish in a small pond, or will you seek the challenges of pursuing an entirely new career both as a much smaller fish, but in a much bigger sea. For me, it’s certainly not quite as simplistic as it first may sound.

At some stage in your future careers this could well prove one of the most influential professional decisions you’ll have to make. In other words, when the time comes will you be prepared to throw off the bowlines and chance your arm away from the safe confines of the harbour you know so well.

Ten to 15 years ago, the dilemma facing many graduates from Queensland’s fine array of universities, with QUT of course leading that field, was to remain in Brisbane or to seek out perceived greener fields in Australia’s entrenched business hubs of Sydney and Melbourne. Or for the more ambitious again, cities such as London or New York beckoned as the zeniths of endless corporate opportunity. In other words, did they choose the pond or the sea.

Let me tell you that those days have well and truly passed. Granted, some among you will have such specialised training, that long term career prospects will see you relocate to some other shore.

But for the vast majority, you have the unsurpassed privilege of being at the very doorstep of one of the world's most buoyant economies. The brain drain from Brisbane is a thing of the past.

Let me illustrate my point from the perspective of the Bank. In October 2007 we announced a significant restructuring of our senior management team to ensure we have the capability, experience and intellect to reach the next bar – and it's a high bar – of our continuing evolution.

Of the restructured six person senior team, three were new appointments. And guess where they were working when we recruited them? Two were from large corporations overseas, and the third came from a major organisation in Sydney.

My point is that the historical “brain drain” from Brisbane is not only dead and buried, but has reincarnated itself in reverse.

So why are so many people relocating to further their careers in a place not that long ago was generally considered a bit of a business and cultural back water?

In our case, and I'm not being conceited in saying this – it was the opportunity to play a key role in the continued evolution of BOQ from wilderness player to an innovative market leading big small bank.

What also attracted these three outstanding senior personnel – along with hundreds of others like them – are underlying economic fundamentals which make much of the western world green with envy.

Resource-rich Queensland and Western Australia are now firmly entrenched as the power house economies of Australia. Queensland, along with its western counterpart, has averaged economic growth of 5% for the past four years. This is double the rate for the rest of the country.

Not only is our state economy easily outpacing the rest of Australia, over the past 10 years, it has also outperformed each and every one of the G7 nations. In other words we've been growing faster than Britain, Canada, France, Germany, Italy, Japan and the US. Not a bad field to be heading into the final straight is it!

As many of you would already appreciate, Queensland is also in the grip of an infrastructure boom that is having, and will continue to have, a profound impact on the standard of living you can all expect to enjoy in the years ahead. More than \$146 billion was committed to state-wide infrastructure spend in 2007 - 2008 alone. An additional \$82 billion has been committed to south east Queensland alone via the SEQ Infrastructure Plan & Program which extends from 2006 – 2026.

Supplementing this major internal investment is the fact that over recent years Queensland has consistently grown exports by over 30% per annum. We have buoyant rural and resource sectors, but more importantly to many of you here today, we also have a rapidly expanding and vibrant services sector.

Of course I could go on and on about this bountiful state of ours but I'll stop it there as I'm starting to sound like Peter Beattie on steroids!

More to the point, what do these statistics, and so many others like them, mean for you. Foremost, if you choose to, you'll be entering a labour market which not only has Australia's lowest unemployment rate, but also a job growth rate which is twice as high as the rest of Australia.

The recently retired and widely lauded chief executive of Westpac, David Morgan, stated during his recent valedictory speech that being born in this country and growing up in the '50s and '60s was his first great stroke of luck. Let me add that David is far too modest in his proclamation, as his immense achievements have never certainly been predicated on luck.

However, what I want to stress is that if he can rightfully be classified as fortunate to have been born in Australia and growing up in that era, then all of you are just not lucky, but well and truly blessed to be undertaking undergraduate and post graduate studies in Brisbane at the outset of the new millennium.

Because in a nutshell, the world is your oyster. If you're educated, skilled and committed, and want a life time career the opportunities are there for the taking. Quite simply, job opportunities in your own back yard have never been more diverse, challenging and financially rewarding.

I think now's an appropriate time to make a confession. While I'm an unbridled champion of this great state and all it has to offer, I'm not a born and bred Queenslander. Just like BOQ's three new senior managers, I relocated to Queensland almost seven years ago drawn by a life-long ambition to not only head my own bank, but more importantly, to make a fundamental change to the direction it was headed.

I refer of course, to the Bank of Queensland, which has been around since 1874. Before joining the Bank I spent 33 odd years climbing the corporate banking ladder – including postings in Hong Kong and London. At the time of making the most momentous professional decision of my life, I was happily ensconced as part of the senior management team at Westpac, based in Sydney. As far as Australian banking went, you could perhaps say I was a reasonably sized fish in a relatively big sea.

So what triggered me to make the move. I'll be honest and say that financial reward had something to do with it. But far more than that, it was the unique opportunity the Bank's board presented me. Basically I was given a clear mandate to re-engineer the entire bank in order to make it a competitive and sustainable entity in the Australian banking landscape.

While this was an absolutely fantastic opportunity, it was also a momentous challenge. To be frank, when I joined, the bank was 120 years old and in some ways, was showing distinct traits of happily slipping into the twilight of its illustrious life.

It was more an institution than an enterprise. Was more inward looking than eyeing distant horizons. It had bred a culture that encouraged conformity and repetition rather than reward competition and innovation. In metaphorical terms it was content to just idle along Australia's eight lane financial freeway.

Don't get me wrong, BOQ was going along quite nicely, but only in its own back yard. In much the same way some people are happy to work in the same job year after year, without any apparent progress or need to confront and conquer new challenges, the bank just kept chugging along without pushing the boundaries.

It was, and I apologise for drilling the point, a classic big fish in a pretty small pond. To put it nicely, BOQ did not exactly have the really big guys of Australian banking shaking in their boots.

Up until then it was like most building societies and regional banks – it was customer focussed by default, and had built strong customer loyalty through regional branding. It also had limited product and access offerings but was impeded from adding new products or expanding its footprint by an entirely inadequate technology platform.

BOQ was also forced to confront a radically changing Australian banking environment. Increased competition from international players, a growing understanding by the big banks that maybe they had gone too far with cost-cutting, and increasing international and national regulatory requirements.

Combine this with an increased expectation from the customer when it came to service and accessibility and it was a recipe for radical change and one which I was intent upon making at BOQ.

So what did the Bank's transformation entail? On the cover of BOQ's 2007 Annual Report we chose to succinctly convey the cornerstones of the major transformation and success we've enjoyed over the past seven years, by highlighting three simple words: Strategy + Execution + Passion.

Let me repeat them – Strategy + Execution + Passion – as to my mind they are undoubtedly the lynchpins of not only corporate success, but also of any successful personal evolution.

One of my earliest priorities at the bank was, in concert with my senior management team, to map out a forward blueprint which plotted where we wanted the bank to be in 5 years time and what resources and infrastructure were required to get us there.

Central to this process was an ambitious goal to significantly grow our footprint both in Queensland and interstate. We committed to a major investment in an entirely new IT platform and to the drastic extension of our traditional banking products. We also prioritised the need to make selected acquisitions of outside businesses and the forging of strategic alliances as key ways of supplementing our ambitious plans for organic growth and to broaden our product range.

I won't bore you silly with all details of our strategic blueprint, but suffice to say the broader market has unanimously endorsed its efficacy and success.

So, onto the second pillar of our transformation model, which is execution. Let me tell you it's one thing to devise a forward strategy – whether its personal or business. It's an entirely different matter to put it in to practice and to ensure measurable outcomes flow.

At a corporate level it's absolutely critical to have senior people who can effectively execute acquisitions, new alliance partnerships, system implementations and all the other myriad issues which confront a vibrant, growing business.

Again, one of my earliest tasks at BOQ was to ensure our senior leadership team consisted of people who were not only intuitively good strategists, but who were also tried and tested executioners (and we're not talking slashers and burners like the infamous Chainsaw Dunlop).

And finally, but certainly not lastly, is passion. Without a front-line staff who aren't passionate and 100% committed no bank can ever really deliver genuine levels of customer-friendly, customer-focussed service. Again, from day one I've made it a priority to regularly communicate to all our staff through every level of our organisation.

And by communicate I don't mean about the nuts and bolts of running a business or the do's and don'ts of successful banking. What I've consistently aimed to achieve since day one at BOQ is to communicate at an aspirational level. In other words explaining our vision and motivating our staff to not only embrace it but also attain to it.

To my mind leadership is not about giving orders but about giving authority, about telling staff what we want them to achieve, and inspiring them to take us there.

I'm not exaggerating in saying that our staff's passion is quite possibly the single most influential element which markedly differentiates our service delivery from that of our major competitors.

Clearly reflecting this passion is the fact that in 2007 BOQ achieved the second highest business and retail customer satisfaction ratings of all Australian banks. Our retail rating put us 9% ahead of the average of Australia's four big banks, while our business banking rating positioned us 12% clear of the big four. One of our overriding corporate goals is to climb into the No. 1 rating in both categories, and we're steadfastly confident we can do it!

By now some of you are possibly thinking this guy's no rocket scientist. He's simply sprouting a few basic tenets from some well-fingered management bible.

That well may be, but they also happen to come from the David Liddy business life experience manual that's been some 40 years in compilation.

I don't always get it right, but the principles raised today, I can assure you, are exactly the same ones which have guided the dramatic transformation we've achieved at BOQ over recent years. They've also in no small part played a significant role in my own professional journey since I joined my first bank in 1968, 40 years ago next week.

What I'd like to impress upon you all is that, apart from a fortunate few, you can not expect personal and professional success to simply unfold of its own accord. There are no rewards without desire, labour and passion.

Identify and evaluate all your possible horizons. Chart your forward course and steadfastly pursue it. Don't simply wait to be handed control of your life's destiny, seize it and doggedly hold on to it.

Before concluding today, I'd like to give you a quick snapshot of how the BOQ of 2001 compares to the banking model of today and let you be the judges of how we've actually fared.

Since 2001 our customer base has increased more than three fold and our assets under management have grown over five times. Our market capitalisation has swelled nearly six times its value when I first took the reins, and over the same period our profit after tax has ballooned by more than 500% and importantly, our

total shareholder returns have grown at an average of 26% per annum over that period.

Effectively, we have grown at about twice the rest of the banking system for the last three years, and intend growing at this same pace into the foreseeable future.

I think it's true to say we've travelled a long way over the past seven years and have undoubtedly metamorphosed from a relatively benign little bank into a robust and energetic big small bank. Personally, I've loved every single moment of the journey, as have so many hundreds of others at BOQ who've risen to the challenge of transforming not only the bank's culture, but our competitive standing in the marketplace.

So what can you learn from our journey?

Above all, I counsel you all to have self-belief – in your talent, your intellect and in your aspirations. Never be afraid to step outside your comfort zone - just don't wait for challenges, go out and seek them. Embrace new ideas, apply them and if after a while they don't work be quick to discard them. Be passionate about what you do, and always strive to do it as best you humanly can. Unbridled enthusiasm will be the raw motivating power behind your success.

What I truly hope I have conveyed tonight is that you should never limit your horizons. Don't necessarily settle for the little pond – it may be comfortable, reassuring, and make you feel self-important, but it will never ever offer the indescribable fulfilment only those who have braved and mastered much larger and often more turbulent seas almost invariably experience.

To finally conclude I'll leave you with the words of Theodore Roosevelt who in an address to students at the Sorbonne in 1910 so eloquently stated:

"It is not the critic who counts: not the man who points out how the strong man stumbles or where the doer of deeds could have done better. The credit belongs to the man who is actually in the arena, whose face is marred by dust and sweat and blood, who strives valiantly, who errs and comes up short again and again, because there is no effort without error or shortcoming, but who knows the great enthusiasms, the great devotions, who spends himself with worthy cause; who, at the best, knows in the end, the triumph of high achievement, and who, at the worst, if he fails, at least he fails while daring greatly, so that his place shall never be with those cold and timid souls who knew neither victory nor defeat."

Thank you for giving me your time and inviting me here tonight – it's been a pleasure speaking to you and good luck in whatever challenge you decide to take up in your careers.

And oh, remember BOQ is always wanting to employ enthusiastic talented people.