This important book demonstrates how businesses can operate both profitably and ethically—by finding a common interest between all those involved in their operations. It does so through the example of Dick Dusseldorp, founder of Lend Lease, one of Australia’s most admired blue-chip corporations. Arriving in postwar Australia with only one construction contract and a handful of workers on his company’s books, Dusseldorp built Lend Lease into a billion-dollar property development and financial services concern. Widely respected for his business success, Dusseldorp was equally well known for his commitment to sharing the fruits of that success with the workers, shareholders, and clients of Lend Lease, and the communities where the company conducted its business.

Not only does Finding a Common Interest tell the story of Lend Lease and its founder, through them it demonstrates how business can be done inclusively—and so provides a workable model for corporate governance.

Lindie Clark spent many hours interviewing Dick Dusseldorp before he passed away in April 2000. She had extensive access to internal company documents in researching this book. She has been heavily involved in public policy and management as both student and practitioner and was the recipient of a Harkness Fellowship to Harvard University’s Kennedy School of Government in 1997.
Finding a Common Interest

The Story of Dick Dusseldorp and Lend Lease

LINDIE CLARK
Contents

Illustrations vii
Preface ix
Abbreviations xii
Introduction 1

1 Production Management: From Tendering to Design & Construction 26
2 Labour Management: Redefining Work, Employment and Industrial Relations 52
3 Business Development: A New Approach to Wealth Creation 80
4 Ethical Business Practice and Corporate Governance 106
5 Organisational Overhaul: The Acquisition and Transformation of the MLC 131
6 Creative Negotiation: Green Bans, Sewers, and Strata Title 155
7 Building Communities: From Suburbia to the Snowfields and Back 182
8 Building for the Future: Leaving Something Behind 207

Epilogue 226
Notes 229
Index 280
Illustrations

1 The Dusseldorp family arrive in Sydney, March 1951. (By permission of Lend Lease.)
2 Dusseldorp and Bill Hudson at Thredbo, 1963. (Photograph by Douglass Baglin, by permission of Lend Lease.)
3 Civil & Civic’s first Dutch employees arrive in Australia, May 1951. (By permission of Lend Lease.)
4 Signing the contract for construction of Stage 1 of the Sydney Opera House. (Photograph by Ern McQuillan, by his permission.)
5 Construction of the Opera House foundations and podium. (Photograph by Ern McQuillan, by his permission.)
6 Preparations for the topping-off ceremony at Australia Square, 1967. (By permission of the Sydney Morning Herald.)
7 Sydney Opera House (under construction) and Australia Square, 1967. (Photograph by Max Dupain, by permission of Harry Seidler.)
8 Australia Square Tower, 1967. (Photograph by Max Dupain, by permission of Harry Seidler.)
9 Caltex House, Sydney. (Photograph by Max Dupain, by permission of Lend Lease.)
10 Dusseldorp, Pat Clancy and Jack Mundey at the Lend Lease all-employee meeting announcing a national productivity agreement, November 1972. (By permission of News Ltd.)
11 Dusseldorp on a site tour, 1983. (Photograph by Rob Walls, by permission of Lend Lease.)
12 Dusseldorp gives his bi-annual State of the Nation address to Lend Lease employees, 1984. (Photograph by Frank Lindner, by permission of Lend Lease.)
13 Academy of Science, Canberra. (Photograph by Douglass Baglin, by permission of Lend Lease.)
14 Hobart Place, Lend Lease's first office block development in Canberra. (Photograph by Capital J. Plan Printing and Photographic Company, by permission of Lend Lease.)
15 Plans for Monaro Mall, Lend Lease's first shopping centre development in Canberra. (Photograph by Norman L. Danvers, by permission of Lend Lease.)
16 Dusseldorp and Prime Minister William McMahon at the opening of Canberra's Woden Plaza, September 1972. (By permission of Lend Lease.)
17 G. J. (Dick) Dusseldorp in his Australia Square office, c.1968. (By permission of Lend Lease.)
18 Shaping the Sydney skyline: Blues Point Tower, Australia Square, and the MLC Centre. (Photograph by Max Dupain, by permission of Harry Seidler.)
19 Shaping the Sydney streetscape: Australia Square's public plaza, c.1967. (Photograph by Max Dupain, by permission of Harry Seidler.)
20 Dusseldorp addresses the 1984 annual general meeting of General Property Trust. (Photograph by Frank Lindner, by permission of Lend Lease.)
21 Dusseldorp signs in for a site visit of Lend Lease Petroleum's Bass Strait oil rig. (Photograph by Rob Walls, by permission of Lend Lease.)
22 Dusseldorp and Ron Brierley at the board table for the 1984 annual general meeting of MLC. (Photograph by Frank Lindner, by permission of Lend Lease.)
23 Appletree Hill Estate. (Photograph © Wolfgang Sievers, 1966/Licensed by VISCOPY, Sydney 2002, by permission of the National Library of Australia.)
24 Dusseldorp and Federal Treasurer Harold Holt at the opening of the Coach House Inn, Thredbo, 1963. (Photograph by Douglass Baglin, by permission of Lend Lease.)
26 MLC Centre tower, plaza and sculpture, c.1976. (Photograph by Max Dupain, by permission of Harry Seidler.)
27 Apprentices competing in the Sydney regional WorkSkill Australia competition, 1984. (Photograph by Frank Lindner, by permission of Lend Lease.)
28 Tjerk Dusseldorp at the Sydney regional WorkSkill Australia competition, 1984. (Photograph by Frank Lindner, by permission of Lend Lease.)
Persistence usually pays off. Tjerk Dusseldorp found that to be the case when in 1999, after years of persuasion, his 80-year-old father finally gave in and agreed to the production of this book. The argument that convinced Dick was this. Over the years, the Dutch-born founder of Lend Lease, one of Australia’s most respected blue-chip corporations, had forged a smarter way than most of doing business. While his goal—the building of a profitable enterprise—was one commonly aspired to by his peers in industry, the way he had gone about achieving it was not. For what had marked Dick Dusseldorp out from the pack was his unshakeable commitment, not just to making the profits, but to sharing them as well. In an environment characterised by frequent industrial and political conflict, Dusseldorp had built Lend Lease around the value of finding or creating a community of interest between its key stakeholders. By bringing labour and capital together to work towards a mutually beneficial goal—and to share the resulting rewards—he had demonstrated a highly profitable, and sustainable, way of doing business. But while the product of that creative approach—Lend Lease Corporation—was well known, the thinking behind it had hardly been universally embraced. Now that the ‘old guy’ was nearing the end of his working life, his son suggested, wouldn’t it be worthwhile if some of his ideas were captured for the benefit of those who were just starting out on theirs? Tjerk had a point, his father had to agree, and the idea of this book was conceived.

The Dusseldorp Skills Forum—which you’ll read more about in Chapter 8—commissioned this book with management students in mind, but we think it will be of interest to anyone searching for, or thinking about, a better way of doing business. In one sense it is a classic rags-to-riches tale. Dick Dusseldorp
arrived in Australia in 1951 with $20,000, a handful of Dutch workers, and a contract to build 200 houses for the Snowy Mountains Authority at Cooma. When he retired from Lend Lease in 1988, the market capitalisation of the company he had founded thirty years earlier stood at $1.4 billion, its employees numbered 6000, and it was widely regarded as one of Australia’s most successful construction, real estate, and financial services organisations. Today Lend Lease operates in forty different countries, employs over 10,000 people globally, and its shareholder funds exceed $5 billion. But the thing that is perhaps most remarkable about the company’s success is the way in which it has been achieved. The creative thinking behind the Lend Lease Corporation bears the indelible mark of its founder: and that is what this book is all about.

The list of people who made this project possible is a long one. At the top are the trustees and staff of the Dusseldorp Skills Forum, in particular the Forum’s Chairman Tjerk Dusseldorp, who imagined, initiated, funded, encouraged, and contributed to it from the word go. Kerrie Stevens, Ern Mac Donald, Kaye Schofield, Meredith Edwards and Eric Sidoti, all of whom are associated with the Forum, also deserve special mention for their input. The active engagement and support of Lend Lease is likewise very gratefully acknowledged: particularly that provided by Stuart Hornery, Eric Goodwin, and Amanda Wylie, the latter of whom proved a great research assistant. (Thanks, too, to Sharon Goldie and Pauline Steele for their assistance and patience with those archive boxes!) Mary Murphy, author of Challenges of Change: The Lend Lease Story, was similarly most generous in sharing with me her insights.

The recollections and reflections of all those people who agreed to be interviewed for this book were, quite frankly, invaluable. Those people are, in alphabetical order (and sans honorifics): Milton Allen, Gerald Boegman, Peter Ciacciairelli, Alan Cull, Frank Cuzzocrea, Anne Dusseldorp, G. J. (Dick) Dusseldorp, Tjerk Dusseldorp, Kerrie Fahy, Keith Fleming, Sharon Goldie, Eric Goodwin, Diana Grafton, Richard Hammond, Bob Hawke, Stuart Hornery, Karin Jacobson, Jack Kломpe, Richard Longes, Frank Lowy, Ern Mac Donald, Merle Marks, Ken McGrath, Geoff McWilliam, Colin Moore, Dick Morath, John Morschel, Jack Mundey, John Overall, Karl Pahl, Joe Purcell, Lennie Quinlan, Albert Ricci, Roy Robinson, John Rothery, Harry Seidler, Stan Sharkey, Ray (‘Mac’) Steele, Alan Stretton, David Thorne, Sandra Trialzi, Albert Van der Lee, and Bill Webster. Thanks also to Kahron Allen in her various capacities; to Suzanne Culph for, amongst other things, sniffing out the
A number of people read various drafts of the manuscript, and I would particularly like to thank them for their helpful comments. Some have already been mentioned above in other contexts; in addition I would like to thank the members of the Dusseldorp family, Lurline Harrison, Brian Norris, Jacqueline Gillespie, Mary Ann McLaughlin, Kerry Schott, and Janet Mackenzie. A very special thankyou to John Buchanan who provided constructive advice at numerous points during the course of this project. As for Peter Debus, Academic Publishing Manager at Cambridge University Press, he demonstrated the substantial value an editor can add. The usual disclaimer applies.

Dusseldorp senior never got to read the product of his son’s persistent and, as it transpired, very timely entreaties, for Dick died at his home in Tahiti in April of the year 2000. Memorial services in his honour were held in Sydney and London, and tributes to the man poured in from around the world. Albert Ricci, a builders’ labourer for Lend Lease’s construction company for the best part of thirty years, put it as well as any in the course of an interview I conducted with him not long after Dick’s death (at Concord, 21 July 2000). ‘I sometimes wonder what would have happened’, Ricci said to me, ‘if, at the time that Dusseldorp came out to Australia in the 1950s … if we had had a hundred men like him in the key jobs in the country—in government, in business, etcetera. Imagine what Australia would be like today—how much in front of the rest of the world would we be! I know this can’t be, but I would like to say it anyway: people like him should never die, because on this planet they’re very, very badly needed.’ I, for one, can’t argue with that.
Abbreviations

ACTU  Australian Council of Trade Unions
AMP  Australian Mutual Provident Society
ASTF  Australian Student Traineeship Foundation
BLF  Builders Labourers’ Federation
BWIU  Building Workers’ Industrial Union
GPT  General Property Trust
IEL  Industrial Equity Ltd
MBA  Master Builders’ Association
MLC  Mutual Life & Citizens’ Assurance Company Ltd
NCDC  National Capital Development Commission
PCG  Project Control Group
TAFE  Technical and Further Education
TRAC  Training for Retail and Commerce

Unless otherwise specified, all sums of money are in Australian dollars.
Right from day one we were convinced that a worthwhile and profitable contribution to society could only be *satisfactorily* achieved by developing a true partnership between investors and employees. The profit growth per share over thirty years attests to the economic validity of this proposition.

G. J. (Dick) Dusseldorp