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The secret of McCullough's success

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BRETT Heading, chairman of partners at McCullough Robertson, knows his days as a lawyer are numbered.

In 2005, the 51-year-old was involved in a serious car accident, in which he "nearly went out for the count".

"I predicted at that point that I had about 2500 days left in the law and I don't want to waste a day of it. I try and pack as much into it as I can," he says.

Heading has kept up a frenetic pace ever since, helping to propel the Brisbane-based law firm into the national limelight.

Over the last six years, McCullough Robertson has had a dream ride on the back of Queensland's economic boom. The firm specialises in three of the key areas in which the state has boomed: capital markets, resources and property.

Annual revenue has soared to \$62.9 million, increasing an average of 16 per cent annually. The firm's partnership, which now numbers 37, has grown by almost half, making it the largest law firm in Queensland, and the 19th largest in Australia.

All of this is not bad for a single-city practice that in 1990 had just 12 partners.

In many ways, McCullough Robertson has been fortunate to be in the right place at the right time.

Heading also puts its success down to a depth of understanding of the Queensland market -- from Tweed Heads all the way to Cape York -- and a culture that emphasises entrepreneurship.

Both the firm and its clients have benefited from a strategy of encouraging lawyers to "chance their arm", as he puts it, and identify new opportunities.

"If a young person comes to me and says they want to specialise in a particular area of law, and here's the business case and will you support me, the answer is yes," he says.

"I've been disappointed at various times with that sort of approach, but gee, it has been rare."

As a consequence, a number of young lawyers have enjoyed a meteoric rise to partnership that would be unheard of in many national firms.

Last week, resources and project finance lawyer Kristen Grover was promoted to partner at the age of 28. She joined McCullough Robertson partner of five years Matthew Burgess, who at 33 sits on the executive

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committee. "We really say the world is open to everyone in the firm," Heading says. "If you're good enough you'll make it early."

It is a meritocracy that cuts both ways. While Heading insists it is a friendly partnership, existing partners are under pressure to perform.

"If people don't want to perform at these high levels they can go into their vineyards and grow grapes or they can go and sit on the beach," he says.

McCullough Robertson has not always been as fast-paced and flexible as it is now. It was founded as a pastoral and private-client practice in 1926, and plodded along on much the same path for more than 60 years.

It was only in 1988 that its partners decided to change tack and focus their energy on commercial law.

"A lot of the national firms started specialising a lot earlier than that. I guess we were a bit slow on the uptake, but we've really had halcyon growth ever since 1988," Heading says.

These days, McCullough Robertson offers a full range of services, with expertise in everything from personal injury to Asian business.

It serves private clients and top-100 ASX companies.

Heading himself has been very active on the capital market front, having worked on his first initial public offer at McCullough Robertson in 1985. Two decades later, he is still going strong. Last month he acted for investment group Wilson HTM on its \$26.6 million float, which made national headlines.

However, McCullough Robertson has minimised head-on competition with the national firms by focusing on small and mid-cap clients.

"We act for some top-100 ASX companies, but the top-200 on the ASX is our natural stamping ground," Heading says.

"Frankly, that was low-hanging fruit that a lot of the major firms weren't interested in."

Heading, who hails from the bush, likes his rural metaphors. The firm's partnership is a "hybrid figure", he says, strengthened by the different breeds that have been added to its herd.

Translated into city-speak, that means a number of lateral recruits have been made in recent times, which has given McCullough Robertson greater depth of expertise in a number of key areas. Partners Guy Humble, Jim Peterson and Peter Kennedy, who all defected from Blake Dawson Waldron, have helped to extend the litigation, corporate advisory and finance practice groups.

"That gave us a shot in the arm. They showed us in some instances better ways of doing things, and we modified what we did. But at the end of the day what this firm is grounded on doesn't change -- it just gets enhanced by the new people coming in," Heading says. McCullough Robertson, like Heading, has stayed true to its pastoral roots. It acts for an array of Queensland agribusinesses, many of which are household names, such as Mackay Sugar, Capilano Honey and the Peanut Company of Australia, the country's largest peanut producer.

It has also grown by allying itself to young, dynamic companies and joining them on the path from inception to acquisition.

"We're pretty sticky with clients, and we like to grow with them," Heading says.

A good example is Excel Coal. McCullough Robertson acted for the mining company from when it took out its first option to when it was floated in 2004, and then acquired by US coal giant Peabody Energy last year

for \$2 billion.

On the back of this and other work it has done in the coal industry, the firm has expanded into other resource areas, such as uranium and gold.

However, Heading is realistic about market conditions in Queensland staying the way they have been for the last five years.

"We're not going to keep growing at 16 per cent per year," he says.

The economy is fundamentally sound, and government investment in infrastructure will keep the economy bounding along for some time, he says, but the property market has to settle down at some point. "I'm not trying to be an undertaker here, but it will slow down. That's inevitable," he says.

After that, perhaps it will be time to expand McCullough Robertson's horizons.

At the moment, about 80 per cent of the firm's work is sourced within Queensland, with the remaining 20 per cent made up of work from international and interstate clients.

A move to Sydney has certainly not been ruled out. In fact, Heading likens such a move to playing test rugby instead of Super 14. However, he says, there are no expansion plans on the table at present.

For now, Heading is making the most of the years he has left as a legal practitioner.

After that, it will be off to the beach to contemplate life in the slow lane -- or, more realistically for Heading, to grow grapes in his vineyard.

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