

WA energy giant's chief cracks the whip with major executive changes after recent project stumbles

Voelte tightens Woodside grip with shake-up

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Woodside Petroleum's poor performance over the past six months claimed its first high profile victims yesterday, as brash Nebraskan boss Don Voelte unveiled a major management overhaul that further stamped his authority on Australia's biggest standalone oil and gas producer.

In a shock move, Woodside's long-serving chief operating officer Keith Spence was shunted sideways into the new role of director, enterprise capability. The heads of Woodside's key operational units will now report directly to Mr Voelte instead of Mr Spence, whose previous position no longer exists.

At the same time, Woodside revealed former Perth Ernst & Young managing partner Michael Minosora had quit the company — effective yesterday — after barely four months as the director of its “corporate centre”.

Mr Minosora was poached from Ernst & Young in March to head an internal initiative to streamline Woodside's administrative functions as part of a broader company-wide program to trim costs.

Yesterday's shake-up comes just one month after Mr Voelte put his senior management on public notice to shape-up after the company was forced to slash its 2006 production target more than 5 per cent because of well design flaws at the Chinguetti field in Mauritania, accidents and delays at the Cossack, Enfield and

Otway Basin projects in Australia and a worse than usual cyclone season in WA.

Analysts are now revising their full year profit forecasts downwards for a second time since May.

A Woodside spokesman yesterday denied that Mr Spence's move was a demotion and said it was not related to Mr Voelte's stern words.

Instead, the change reflected Woodside's belief that managing the company's future skills and personnel requirements was the key to achieving its aggressive growth targets.

In his new role, Mr Spence will remain on Woodside's executive committee with direct responsibility for human resources, corporate and Government affairs, health and safety, security, environment and science and technology.

“When we looked at the number one risk to our growth plans, it all revolved around people and skills,” the spokesman said. “Keith has been asked to build up Woodside's capability and capacity so that it can deliver its future growth plan.”

In an internal email sent to staff yesterday, Mr Spence described the new role as his “dream” job.

But analysts were not convinced, and said the change was a sideways move for the affable executive who was briefly Woodside's interim chief ahead of Mr Voelte's appointment in 2004.

ways from a direct-line management role to a position that is one step removed from the day to day operations,” one senior analyst said yesterday. “Don likes to run his own ship clearly . . . and this makes him more central in the scheme of things.”

Another senior analyst with a major investment bank said the changes were “interesting in the Chinese sense”.

“Given the backwards and forwards they've had at Enfield, Otway Basin and Chinguetti, it looks like Keith has been made a bit of a scapegoat,” he said. “Don certainly looks like he's wielding a very big club.”

Yesterday's changes follow several other high-level departures since late 2004, including those of North West Shelf Ventures boss Jack Hamilton in May, former finance chief Doug Bailey and gas marketing boss David Maxwell.

Woodside this week poached Apache Energy's Australian chief Ivo Howell to head its North West Shelf Ventures.