Treasurer, why business is growing sceptical | Opinion Allegra Spender p38

THE AUSTRALIAN FINANCIAL REVIEW

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▶ Investors say Newmont's offer 'underwhelming, opportunistic' ▶ Hopes to set up auction for Australia's biggest gold miner

$24b Newcrest bid 'not enough'

Peter Ker

The world's largest gold miner has lobbed a blockbuster $24.4 billion bid for ASX-listed Newcrest Mining, but faces a pushback from investors who are hoping to set up an auction for the local giant.

Newcrest yesterday confirmed a report in *The Australian Financial Review's* Street Talk column that it had received the takeover approach from Newmont, and disclosed a separate, previously secret bid made in January.

Newcrest is Australia's largest gold miner, and operates in NSW, Western Australia, Papua New Guinea, Canada and Ecuador. US-based Newmont owns Boddington in WA and Tanami in the Northern Territory as well as assets in Africa, South America and North America. Newcrest shares rose 9.3 per cent yesterday at $24.53.

But Allan Gray chief investment officer Simon Mawhinney said the deal had lobbed at a time when Newmont shares were "expensive" while Newcrest shares were "depressed".

"I think a merger of these companies might make sense, but I am not convinced the relative value on offer strikes the right balance," he said. The fund manager controls just over 7.3 per cent of Newcrest.

Newcrest chairman Peter Tomsett has vowed to consider the proposal, which would give Newmont control of the four mines that topped gold production volumes across Australia and Papua New Guinea in the 2022 financial year, plus some of the region's best undeveloped growth options.

Newcrest said the federal government's Foreign Investment Review Board (FIRB) would need to approve the transaction if it progressed to a binding sale.

Gold prices were high by historic standards at $US1878 per ounce yesterday, and gold has appreciated strongly in recent decades as investors trusted it to be a store of value during financial crisis and the pandemic.

Newcrest investors were promised 0.38 shares in Newmont for every Newcrest share they own; an offer that was priced at a 21 per cent premium to Newcrest's closing share price on Friday but below the level that Newcrest shares traded at as recently as April 2022.

The offer implied that Newcrest shares were worth about $27.16. But Investors Mutual portfolio manager Tim Wood said it was not high enough.

"We think an acquisition by Newmont makes sense, and we don't rule out a counter-bid from another gold major, including Barrick Gold. That said, we think it's an underwhelming, opportunistic bid – coming at a time when Newcrest is without a permanent CEO – which doesn't offer enough for shareholders," he said. The bid lobbed by Newmont over the weekend was 5 per cent higher than a non-binding, indicative offer the American company communicated to the Newcrest board in January, only for Newcrest to dismiss it.

"We still don't think the current bid is high enough, particularly as it comes with significant risk for shareholders around the price of Newmont shares and AUD/USD currency fluctuations," said Mr Wood.

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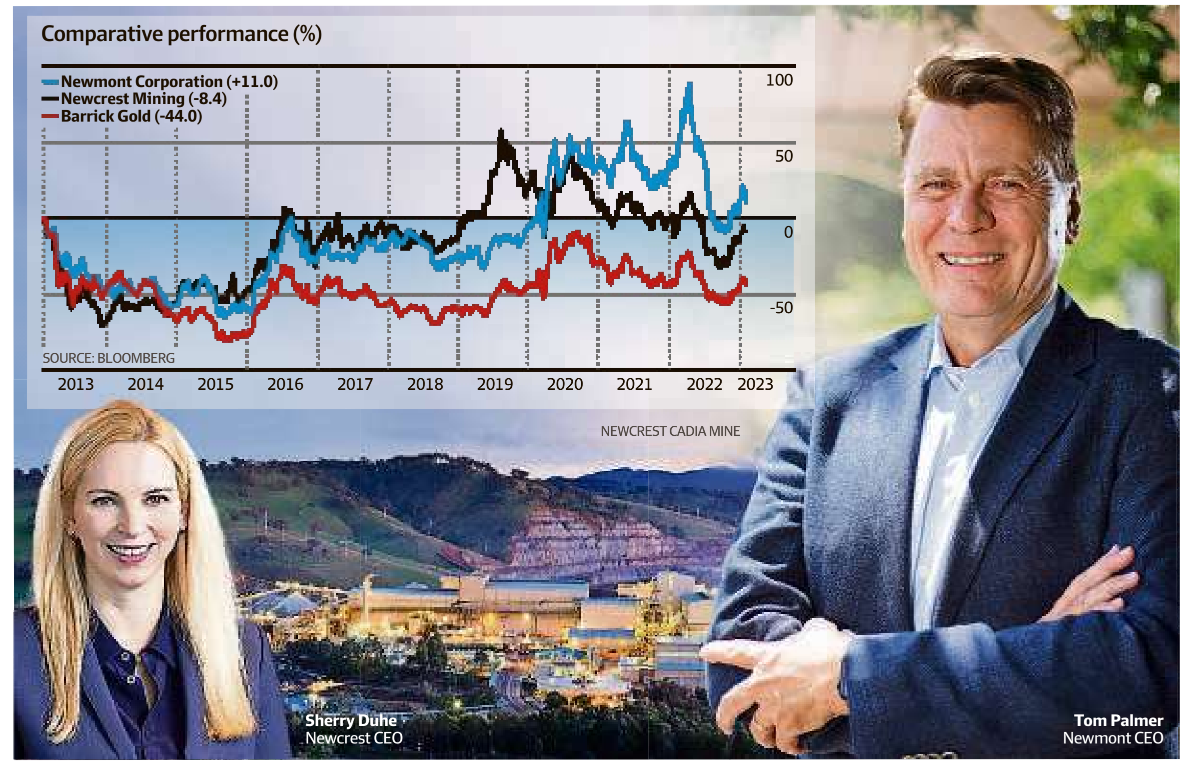

Sherry Duhe, Newcrest CEO

Tom Palmer, Newmont CEO

Crumbs for mid-caps

The big question for mid-cap gold miners is whether some tasty crumbs will spill free if Newmont succeeds in devouring the biggest gold miner on the ASX. **Peter Ker p13**

How CEO woes led to approach

Comment

Chanticleer

It's telling that the $US40 billion ($57 billion) US gold mining giant Newmont should lob a $24.4 billion bid at Newcrest when the ASX miner is without a permanent chief executive.

For the past decade, Newcrest has had a decidedly mixed record when it comes to management and culture.

Former chief executive Greg Robinson left the miner in 2014 after $6 billion of write-downs related to the group's acquisition of Lihir Gold. This deal, done in 2010 at a cost of $8.5 billion, was the brainchild of then-chief executive Ian Smith, who would later leave Orica following criticism of his management style.

Robinson's successor, Sandeep Biswas, did an impressive job from an operational and financial point of view, fixing the company's balance sheet, lifting its operational performance (including at Lihir) and setting up an impressive suite of growth options. But questions remained after he retired suddenly in December.

By contrast Newmont is known for what might be described as classic American mining industry leadership – stable, sophisticated, calm and long-term, arguably even to the point of being a bit too thoughtful. ▶ **Back page**

PM demands budget spending offsets

Phillip Coorey
Political editor

Federal ministers have been told not to bother proposing new spending in the budget unless the idea is accompanied by offsets, and has been declared a policy priority by the prime minister, as the government seeks to minimise pressure in interest rates.

Signalling a return to the pre-pandemic budget discipline of paying for all new spending, Treasurer Jim Chalmers and Anthony Albanese reinforced yesterday that while inflation was expected to abate over the year, it would not do so quickly.

"[The current inflation rate of] 7.8 per cent is obviously unacceptably high and puts a lot of pressure on families and others in our community, but we expect that inflation is starting to moderate," Dr Chalmers told parliament yesterday.

"It will stay higher than we'd like for longer than we'd like. That is the truth

Continued p4

RBA's life gets a bit easier
The RBA will be relieved the Albanese government has promised to minimise budget handouts ahead of a ninth consecutive increase to the cash rate today. ▶ **Markets p29**

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Greens split hurts Labor agenda

Tom McIlroy

A damaging split within the Greens has made Senate negotiations harder for the Albanese government, with the expanded crossbench requiring Labor to secure an extra vote for contentious legislation.

Victorian senator Lidia Thorpe quit the minor party yesterday, moving to the crossbench over her opposition to the Indigenous Voice to parliament.

The Greens' Senate numbers drop to 11, leaving the Labor government needing the Greens plus two extra votes to pass legislation opposed by the Coalition.

Lidia Thorpe

The change raises immediate questions over the government's second wave of industrial relations reforms, planned for later this year, and could slow Senate passage of bills related to the Voice referendum. ▶ **News p6**

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LOOKING FOR INCOME AND CAPITAL STABILITY?

Metrics Direct Income Fund seeks to generate monthly cash income of the RBA Cash Rate plus 3.25% p.a.* (currently 6.35% p.a.) with reduced capital volatility* through a diversified portfolio of directly originated loans to Australian companies.

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ANZ has restarted collective bargaining over pay for the first time in seven years, joining a wave of major employers reviving dormant union agreements after Labor's industrial relations overhaul. **p8**

World
Ukraine to replace defence minister
President Volodymyr Zelensky's political party said on Sunday (Monday AEDT) that it would move to replace Ukraine's defence minister, as fierce fighting raged in the east amid what Ukrainian officials say is the beginning of a new Russian offensive. **p12**

Technology
Biologist uses family skill to save reefs
As a marine biologist, Taryn Foster never expected her career to lead her back home to her family's

masonry factory in Geraldton, 400 kilometres north of Perth, but that is exactly where she has been figuring out how robotics and automation can restore coral reefs. **p22**

Property
AMP Capital's mall pain over discounts
AMP Capital, the fund management arm of AMP, is selling shopping mall stakes at steep discounts worth hundreds of millions of dollars to meet investor redemptions, as it prepares to quit the investment platform. **p34**

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Half-time in battle for Nitro
The war for Nitro yet again highlights private equity's predilection for beaten-down ASX-listed technology businesses with subscription revenue. **p20**

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Debate shaping rates policy
If Summers is right, then we are likely to see the RBA keep interest rates about 4 per cent, and the concern will be too much, not too little government spending. **p39**

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Page Two Jennifer Hewett

jennifer.hewett@afr.com

Perrottet takes on the pokies lobby

Dominic Perrottet is promising his government will finally deal with the problem gambling and money laundering endemic in the extraordinarily high penetration of poker machines in pubs and clubs throughout NSW.

With about 90,000 machines and counting, second only to the global gambling capital of Nevada, the NSW premier can be excused for saying this is an issue "unique to our state". Not that problem gambling and criminal proceeds channelled through poker machines will ever be unique to any jurisdiction. In Australia, only Western Australia bans poker machines in pubs and clubs and even then, the state still allows poker machines in its casino.

Nor do the NSW measures do anything to limit social problems from the surging growth of online gambling. Many of the most popular apps are owned by overseas operators based in the Northern Territory. In another modest political attempt to hold back the tide, the federal government is set to release BetStop, a self-exclusion register for problem gamblers online.

But NSW has still led the country in the ubiquitous spread of pokie-culture over decades, and now attempts to regulate some results of their widespread use. That ensures the fate of the NSW Coalition's attempted reforms will also be closely followed by the entire gambling industry.

That's even if the proposed NSW changes are relatively modest and are hardly being rushed through. Under Perrottet's plan, the shift would start next year and all machines would be cashless by 2028. The cash will be replaced by cards with limits set by the user every seven days. These cashless gambling cards would not be linked to users' credit cards – only their bank accounts.

The state government would also provide no-interest loans for small and medium venues to buy new machines with cashless technology, and $50,000 grants to pubs and clubs to help develop new revenue from alternatives such as live music and food. That's to replace the increasing reliance and profitability of the money take from gambling.

"That is money well spent," Perrottet said of the estimated $350 million cost. "That is money spent on the biggest social and community and law enforcement reform in our state's history. This has been talked about for too long."

The only catch is that first, Perrottet needs to win a tough election next month. That's going to be extremely difficult, given the accumulation of barnacles on a long-term government and a badly tarnished Liberal Party organisation. The Coalition campaign slogan – "Keep NSW Moving Forward" – has obvious speed limits.

Backing the need for major gambling reform is also anything but typical campaign fare for the Coalition or Labor. This time around, key independents in the NSW parliament have stated that if neither party wins enough seats to form a majority, their support for a minority government would be contingent on the commitment to gambling reform.

> *It makes the pokies fight a political gamble for both parties.*

But Perrottet was always going to face a ferocious backlash from the extremely well-funded and politically connected lobby groups and political donors – Clubs NSW and the Australian Hotels Association. His proposed ban on political donations from clubs and pubs – similar to a ban on property developers – is also yet to be passed. The pubs and clubs will also have plenty of money to mount their own ad campaigns.

It makes the pokies fight a political gamble for both parties. Labor is betting Perrottet's proposed reforms won't get any traction in the must-win seats of south-western Sydney, and may damage the Coalition if voters are persuaded that changes may endanger the financial health of their locals. Despite pressure from some union leaders, Labor leader Chris Minns is only willing to back the obvious sop of a modest trial of 500 poker machines, and putting minor restrictions on the number of new machines added to the state's grand total.

Perrottet had trouble even getting his proposal through his own cabinet, including predictable resistance from the Nationals, who argued the move to cashless gambling cards would harm the viability of regional pubs and clubs. He finally succeeded on Sunday night – just in time to provide a useful distraction from the various scandals and rolling crises besetting his government before the election.

The premier's position was actually shored up by Clubs NSW having to sack its own CEO, John Landis, after he said Perrottet's proposals came from his "conservative Catholic gut" rather than being based on evidence.

Perrottet's moderate persona and policies have effectively disarmed any initial public concerns about his conservative Catholic background dominating his approach to government. So, the premier simply rejected the remarks as "incredibly inappropriate and offensive" and an attack on every person of faith across the state. Minns could only agree.

Independent MP Alex Greenwich said Landis had presided over the transformation of community clubs into "mini casinos" and ignored the damning Crime Commission report that highlighted the extent of criminal activity occurring in clubs.

Although Perrottet says there has been extensive consultation to get pokies reform right, he does not shy away from insisting everyone has a moral responsibility in dealing with this issue.

"We cannot have a situation in NSW where families are broken and people are putting their life savings down pokie machines," he said as he unveiled the package yesterday.

"This is not about being a wowser, this is about looking after the vulnerable, this is about stopping money laundering."

This may prove another triumph of hope over experience when it comes to gambling, even if the Coalition does actually manage to cling onto power in a minority government on March 25. But politicians are increasingly on notice to put their chips on the table.

Unions in rearguard fight for new conventional submarine

Andrew Tillett
Political correspondent

Unions are warning that the Albanese government needs to build a new fleet of conventionally powered submarines in Australia or risk not having the workforce and skills base to underpin the eventual construction of nuclear-powered craft.

The call, backed by homegrown defence contractors, comes after Defence Minister Richard Marles said supplying an interim submarine to the navy had been ruled out as Australia, the US and UK come close to finalising the study on supplying nuclear-powered submarines under AUKUS next month.

While visiting the UK and Washington last week for talks with his American and British counterparts, Mr Marles said building up the submarine workforce remained a "real challenge" but ultimately would generate thousands of jobs.

But the Australian Shipbuilding Federation of Unions – made up of the Australian Manufacturing Workers' Union, Australian Workers' Union, Electrical Trades Union, the Communications, Electrical and Plumbing Union and Professionals Australia – is lobbying Mr Marles to rethink the decision, saying the delivery of nuclear submarines is decades away.

National convener and AMWU assistant secretary Glenn Thompson said the government should urgently approve construction of six diesel-electric submarines to bridge the capability gap between the ageing Collins-class submarines and the arrival of the nuclear-powered subs while training and building up the workforce to critical mass.

> **What is the plan B if there is a change in the US and UK politics?**
> Glenn Thompson, AMWU

"You've got to have a pipeline of work to build the skills in the sector," said Mr Thompson, who will meet Mr Marles and Defence Industry Minister Pat Conroy tomorrow. "To build the workforce, you need to have people on Australian soil to do that.

"And what is the plan B if there is a change in the US and UK politics? There are just too many unknowns."

The government plans to mitigate against a capability gap by upgrading the ageing six Collins-class submarines through the "life of type extension", or LOTE, squeezing out an extra 10 years of service. Navy chiefs have objected to an interim submarine, arguing it would leave them operating three classes of submarines.

But Mr Thompson said this would not be the case if the government built six updated versions of the Collins-class subs rather than a brand new design. The new boats would replace the original Collins submarines and would in turn be replaced by the nuclear fleet, which is increasingly likely to be a design common to the AUKUS members.

Australia's taxpayer-owned shipbuilder, ASC, employs 2000 people in submarine yards in Adelade and Perth.

Mr Thompson said the LOTE would create just 150 extra jobs. In comparison, the now-axed French submarine project had been forecast to create more than 5000 jobs.

Mr Thompson pointed to the struggles the UK's nuclear submarine build has suffered from when its workforce dwindled to about 2000 workers. Now the workforce sits at about 10,000, with the UK government last week forecasting the shipyard would grow to 17,000 employees and contractors.

The Australian Industry and Defence Network, which represents small-to-medium homegrown defence contractors, said it was imperative for Australia's sovereignty that the industry was developed and enhanced.

"The gap between the last submarine built on our shores and the next one grows on a daily basis," said chief executive Brent Clark.

"Without the opportunity for an Australian workforce to exercise their skills on submarine construction the risk associated with building the next generation nuclear submarine becomes enormous."

School funding rises steeply as outcomes stall

Julie Hare
Education editor

A new Productivity Commission report has bolstered the case for more targeted approaches to school funding, including the adoption of explicit teaching practices, after it found that despite significant increases in funding per student, improvements in academic outcomes have stalled.

The release of the commission's annual *Report on Government Services* comes as Education Minister Jason Clare prepares to kick off a year-long negotiation on how $72 billion in state and federal funding should be spent to improve student performance.

Funding per student rose 1.9 per cent a year in real terms between 2012 and 2021, but the rate of increase was far higher in Catholic and independent schools, up 2.8 per cent a year compared with the 1.7 per cent gain for public schools. Students in government schools received an average of $20,940, while funding for Catholic and independent schools was $12,442, the report said.

State, territory and federal government expenditure on schools in 2021 totalled $106.7 billion, up 32 per cent from $80.7 billion 10 years earlier.

However, despite the significant funding increase, the report finds that between 2011 and 2022, there was no significant difference in the reading ability for students in years 5, 7 and 9, but there had been a statistical improvement for year 3.

Year 3 and year 5 students also improved their reading skills, but year 9 went backwards and year 7 didn't change between 2008 and 2022.

Only year 5 students improved their numeracy results, while year 7 went backwards. There was no noticeable difference for students in years 3 or 9.

On the Program for International Student Assessment (PISA), the proportion of 15-year-olds who read at the national proficient standard or above was 60 per cent; in mathematical literacy it was just 54 per cent; and for scientific literacy it was 58 per cent.

But the Trends in International Mathematics and Science Study was significantly more positive, finding that 70 per cent of year 4 students and 68 per cent of year 8 students were at, or above, the national proficient standard.

Science knowledge was even better, at 78 per cent for year 4 students, and 74 per cent for year 8 students.

Increasingly, experts point to a small number of reforms that would turn around school performance, particularly among the most disadvantaged students.

In its submission to the review of the National School Reform Agreement, the Australian Education Research Organisation (AERO), summarised that the most cogent reforms include widespread professional development of the existing teaching workforce in explicit instruction techniques and easy access to high-quality teaching resources.

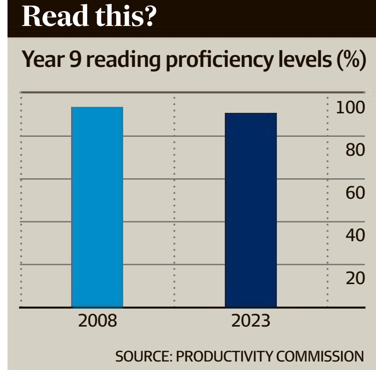
Investing in targeted interventions for students significantly behind in their learning, addressing poor well-being and sense of belonging at school and improving the career paths and earning capacity for the best teachers would contribute to turning around Australia's underwhelming performance, the AERO said.

No other country among the 39 developed nations in the Organisation for Economic Co-operation and Development provides as much money as Australia does to non-government schools.

In 2021, that sum totalled almost 62 per cent of total funding, with the remainder sourced from fees and donations.

Read this?

Year 9 reading proficiency levels (%)



SOURCE: PRODUCTIVITY COMMISSION

Some deposit savings rates above 4pc but others still at rock bottom

Duncan Hughes

Banks say they have made more than 50 increases to their savings rates since last May to equal, or exceed, increases in the Reserve Bank of Australia's cash rate for some of their products.

But many bank savings rates remain at rock bottom, causing the gap between the highest and lowest to blow out to more than 4.5 percentage points, an analysis by RateCity, which monitors rates, shows.

The Australian Competition and Consumer Commission is preparing to examine deposit rates after Treasurer Jim Chalmers flagged that he wanted it to ensure that banks were "treating their customers fairly when it comes to savings accounts".

ACCC chairman Gina Cass-Gottlieb said yesterday that the investigation into how quickly banks responded to cash rate rises was one of her top priorities for this year, given the cost-of-living pressures faced by retirees and the elderly.

The Reserve Bank of Australia is expected to announce a ninth straight rate increase today.

Savers wanting top rates need to monitor products and be ready to switch to alternatives, either with their existing bank or a new one.

For example, nimble ANZ savers can increase their returns more than six-fold by switching from its Online Saver account, which pays just 0.6 per cent, to its Plus Saver paying 3.75 per cent, says RateCity.

Alternatively, NAB's 12-month term deposit is paying 4 per cent, an increase of 3.75 percentage points since May, which is 0.75 percentage points higher than the 3 per cent percentage point increase in the cash rate.

"The most competitive rate depends on how much the customer wants to put away in savings and how quickly they want to access their funds as cash," said Paul Riley, NAB executive for everyday banking.

Some products also competed on cheap fees, Mr Riley said.

NAB has made more than 50 increases to its savings and term deposit rates since May last year.

Banks are also under increasing pressure from competitors to attract more deposits to help fund their home loans as the cost of wholesale funding continues to rise.

"But banks aren't opening up their wallets to everyone," said RateCity's Sally Tindall. "Even within a bank, we've seen select savings rates shoot up, in some cases beyond the 3 percentage point, while others have barely lifted off the floor."

Some higher savings rates go to new rather than existing savers; apply to only some of the bank's accounts; only offer the biggest increases for short-term promotions; and are making increases off rock-bottom amounts well below the inflation rate.

"Over the past few months, CBA has regularly increased rates across a number of our savings products and introduced multiple term deposits," said Kate Crous, Commonwealth Bank's executive general manager of everyday banking.

CBA has increased interest rates across 10 deposit products up to nine times since last May.

Anna Bligh, CEO of the Australian Banking Association, said there had been a "healthy rise" in term deposits in the past 12 months with the four big banks offering at least 4 per cent interest on deposit products compared with 0.30 per cent in January last year.

Virgin Money Boost Saver is paying 4.6 per cent for minimum deposits of $2000 and several other conditions, including 32 days' notice to access funds.

"Keen savers can now get ongoing rates that are well over 4 per cent; however, customers would do well to read the fine print," Ms Tindall said.

Banks aren't opening up their wallets to everyone.
Sally Tindall, RateCity

Cashing in

Big four bank savings rates by account

BONUS SAVERS	May 1, 2022 (%)	Today (%)	Increase (ppts)	Conditions for max rate
CBA GoalSaver	0.25	3.25	+3.00	Grow balance each month
Westpac Life	0.25	3.75	+3.50	Grow balance each month
NAB Reward Saver	0.25	3.25	+3.00	1 dep, no withdraw/month
ANZ Progress Saver	0.15	2.50	+2.35	$10+ dep, no withdraw/month
ONLINE SAVERS	**May 1, 2022 (%)**	**Today (%)**	**Increase (ppts)**	**Intro rate (no conditions)**
CBA NetBank Saver	0.05	1.60	+1.55	4.00% for 5 months
Westpac eSaver	0.05	0.85	+0.80	3.75% for 5 months
NAB iSaver	0.05	1.10	+1.05	3.75% for 4 months
ANZ Online Saver	0.05	0.60	+0.55	2.40% for 3 months
	Existing customer rates			
OTHER	**May 1, 2022 (%)**	**Today (%)**	**Increase (ppts)**	**Difference (% points)**
Westpac Spend&Save*	2.00	4.35	+2.35	Grow balance each month. 5+ purchases on linked account
ANZ Plus Save**	0.50	3.75	+3.25	None

Highest ongoing rate savings accounts^

BONUS SAVERS	May 1, 2022 (%)	Today (%)	Increase (ppts)	Conditions for max rate
Virgin Money Boost Saver	1.35	4.60	3.25	Deposit $2K+; make 5+ purchases in linked bank acct; 32 days' notice to access funds
ING Savings Maximiser	1.35	4.55	3.20	Deposit $1K+; make 5+ purchases in linked bank acct. Grow bal each mth.
Move Bank Growth Save^^	n/a	4.50	n/a	Deposit $200+; no withdrawals / mth
ubank Save	1.20	4.10	2.90	Deposit $200+ in savings or linked bank account / mth
AMP Saver	1.35	4.10	2.75	Balance must rise by $1K/mth

*18yrs to 29yrs ** 15yrs+ ^ Balance caps for some max rates. ^^ Not in market in May 2022. SOURCE: RATECITY

Government passes buck on Indigenous charity chair

Michael Roddan

Government ministers, departments and regulators have offered a tepid response to revelations the chairman of a federally funded Indigenous aged care charity in South Australia was sacked or resigned from multiple organisations under a cloud of alleged credit card misuse and overspending.

An investigation by *The Australian Financial Review* yesterday detailed the history of Jim Golden-Brown, the chairman of Aboriginal Elders & Community Care Services Inc (ACS), and an ongoing but protracted probe by the Department of Social Services into his conduct at the collapsed National Aboriginal and Torres Strait Islander Corporation, which owes the department almost $2 million.

The department declined to comment as the matter is under investigation, as did Bill Shorten, Minister for the National Disability Insurance Scheme, which contributes funding to ACS.

Questions from the *Financial Review* to Indigenous Australians Minister Linda Burney and Aged Care Minister Mark Butler also went unanswered.

Opposition Indigenous Australians spokesman Julian Leeser said the government needed to "promptly" report on the status of the departmental investigation given the probe was entering its fourth year.

"*The Australian Financial Review* has raised serious issues," Mr Leeser said. "It is important that such issues be examined in a way that is thorough and provides procedural fairness."

The National Indigenous Australians Agency, which sits under the Department of Prime Minister and Cabinet and oversees the Office of the Registrar of Indigenous Corporations (ORIC), said it did not fund ACS and that "an individual's appointment to a board or senior position within an organisation is a matter for the respective board".

Jim Golden-Brown

The Australian Charities and Not-for-profits Commission, under which ACS is registered, said it was unable to comment on particular charities.

"Further, we cannot confirm or comment on ACNC compliance activity unless it is already in the public domain, or if we take certain action against a charity," the ACNC said.

The *Financial Review* found Mr Golden-Brown left previous roles at four government-funded bodies under a cloud of allegations over the last 15 years, but has taken over governance at ACS despite multiple warnings to regulators and different levels of government. Mr Golden-Brown was most recently sacked in 2021 as the chief executive of the National Aboriginal and Torres Strait Islander Corporation, which collapsed owing the Department of Social Services $2 million amid accusations Mr Golden-Brown had charged the company for frivolous personal expenses.

A decade before this, Mr Golden-Brown was fired as chief executive of the Northern Territory-based not-for-profit Malabam Health Board Aboriginal Corporation. Mr Golden-Brown's expenses at Malabam were under investigation at the time.

He also abruptly departed a Victorian Aboriginal land council shortly before the Victorian government investigated suspected misuse of public funds.

Prior to that, Mr Golden-Brown's company, Muru Nanga Mai Management Pty Ltd, a not-for-profit purportedly aimed at getting Indigenous people into NSW Land Council rental properties, was found by NSW Fair Trading to be operating as a real estate agency without a licence.

Mr Golden-Brown was prosecuted for this at the Moree Local Court in 2010.

‘Off-budget’ funds can push inflation

John Kehoe
Economics editor

The International Monetary Fund and economists say the proliferation of the federal government’s so-called “off-budget” funds to invest in the energy grid, industry and housing risk adding to inflation pressures.

Labor took to the election a pledge to set up a range of energy and social infrastructure funds that will be seeded with borrowed money and add about $50 billion to government gross debt over coming years.

These include the $20 billion Rewiring the Nation Corporation to fund cheap loans to energy companies to rebuild and modernise the energy grid, the $15 billion National Reconstruction Fund to diversify industry, and the $10 billion Housing Australia Future Fund for new social and affordable homes.

The IMF’s review of Australia’s economy said last week that further spending restraint would be required in the May budget – in line with a commitment from Treasurer Jim Chalmers.

The IMF also said so-called “off-budget” or “below-the-line” outlays via investment vehicles needed to be rolled out judiciously, to avoid adding to inflation. “Strong aggregate demand and the tight labour market warrant continued focus on fiscal consolidation in the near term,” it said.

“Saving of expected revenue overperformance and judicious implementation of spending programs, notably infrastructure investment, would help in containing demand pressures and inflation.

> **The extra bit that goes into the economy [in a single year] is a small portion of the fund.**
> Chris Richardson, Rich Insight

“Implementation of below-the-line activity through newly created investment vehicles (National Reconstruction Fund, Rewiring the Nation, and Housing Australia Future Fund) should be phased appropriately, and, more broadly, a proliferation of such vehicles should be avoided.”

Labor and Coalition governments have used the off-budget vehicles to conceal spending because the funds do not detract from the “underlying cash balance” that treasurers and the media focus on.

These include the $29.5 billion of equity injected into the national broadband network by the Rudd-Gillard Labor governments, and the Coalition’s $14.5 billion for the Australian Rail Track Corporation, $5.9 billion for the Snowy 2.0 hydropower project and $5 billion for the Northern Australia Infrastructure Facility.

Former Treasury economist Stephen Anthony said the funds needed a stricter cost-benefit analysis by an independent agency such as the Productivity Commission.

“These federal funds, combined with the states’ infrastructure spending and another mining boom, are contributing to the shortages in construction,” he said. “In the context of an inflation fight, it’s not a good cocktail.”

The little-talked-about “headline cash balance” that includes the government funds is forecast to have a cumulative deficit of $228.9 billion over the five years to 2025-26, $47 billion worse than the underlying cash balance that most commentators focus on.

Rich Insight economist Chris Richardson said the widening gap between the headline and underlying cash balances over the past 15 years showed politicians were increasingly “hiding” spending by using a “loophole”.

“The idea of the off-budget vehicles was they earn a commercial rate of return,” Mr Richardson said.

“The NBN and other funds under both sides of politics have failed that test.”

Mr Richardson was less worried about the inflation consequences, saying only a small portion of the funds were spent in a single year.

“The extra bit that goes into the economy is a small portion of the fund.”

Dr Chalmers’ office was contacted for comment yesterday.

Shadow treasurer Angus Taylor said the IMF’s warning was timely.

“The treasurer can indulge in all the spin he likes, but the reality is the money still needs to be borrowed and the impact will still be felt across the economy,” he said.

“This will make the task of taming inflation harder and certainly will not make the job of the Reserve Bank any easier.”

From page 1

PM demands budget spending offsets

of it. Interest rate rises are an inevitable consequence.”

Mr Albanese said spending restraint must be a hallmark of the May 10 budget, as it was at the October budget, especially as about 20 per cent of all housing loans would roll off fixed rates this year to much higher variable rates.

“When those fixed mortgages end, there will be an increased pressure on around about 800,000 Australians who will go off fixed rates onto more flexible rates,” he said.

“And that’s why, in particular, in the lead-up to the May budget, we will continue to put forward a responsible economic policy.

“We are doing all that we can, just as we did last October, to produce a responsible budget.”

The Reserve Bank of Australia is expected to raise interest rates today for the ninth time since May last year, and at least once more before the middle of the year.

At the same time, a rapidly recovering budget bottom line, due largely to commodity prices and low unemployment, has raised speculation of an early return to balance or even surplus, which will fuel demands for extra spending.

However, *The Australian Financial Review* understands that based on current Treasury estimates, the budget will not be close to surplus this year.

Dr Chalmers and Mr Albanese said any cost-of-living assistance must not be inflationary. In October, the government delivered relief in the form of cheaper childcare and lower-cost prescription medicines.

This year, up to $3 billion in energy bill assistance for low- and middle-income households will be paid as power bill discounts, rather than cheques, to try to limit the inflationary effect. There will also be money to help low-income households transition from gas to electric appliances.

One of the most expensive demands on this budget is coming from the welfare sector, which wants the daily Jobseeker rate lifted from $48 a day to $73 a day.

Although it will cost billions and be inflationary, Cassandra Goldie from the Australian Council of Social Services said there were good reasons to lift the rate. “The high rate of inflation is a challenge for us. People on low incomes are under enormous financial strain, especially with hikes in rents and energy prices. The government has acted to stem inflation in these areas and should do more,” she said.

“But inflation shouldn’t be used as an argument to keep income support well below poverty levels.

“People on Jobseeker and other income support payments are suffering poor health, losing their homes, and going without other essentials because no one can survive on $48 a day. We cannot let this continue.

“Quite rightly, Dr Chalmers doesn’t oppose wage increases on the grounds they would be inflationary. The same logic applies to raising income support to liveable levels.”

The newly formed Economic Inclusion Advisory Body, which was established in return for Senator David Pocock supporting the government’s industrial relations legislation last year, will release its findings two weeks before the budget, and is expected to push for welfare increases.

As well as the cost and inflationary impact, there is little support inside government to lift the dole, given unemployment is a low 3.5 per cent and there are labour shortages.

Increasing the dole in such circumstances risks a political backlash, especially from workers on low incomes.

Shadow treasurer Angus Taylor said the government could help bring down inflation by aiming for a surplus budget.

“If you have higher interest rates and higher inflation, you have to have that goal,” he said.

“Over the summer we saw a government whose priorities are all wrong; a treasurer who spent the summer writing a 6000-word essay rather than focusing on cost of living, the real challenges that Australians are facing in their households and in their businesses.”

The budget was forecast in October to be in deficit by $37 billion this year. Based on current estimates, that number will be better come May 10 but will not be in balance or surplus.

Anthony Albanese (above left), Peter Dutton and Sussan Ley at a church service in Canberra to mark the start of the parliamentary year. Below: Richard Marles, Jim Chalmers and Tony Burke during question time. PHOTOS: ALEX ELLINGHAUSEN, RHETT WYMAN

Greens told safeguard threat might backfire

Jacob Greber

Threats by the Greens to sink Labor’s heavy-emissions trading legislation next month could lead to even greater use of potentially controversial offsets and erode financial incentives to cut carbon levels, according to modellers RepuTex Energy.

Political positioning around legislation for the so-called safeguard mechanism has ramped up ahead of Labor’s plans to pass the crediting scheme into law by March 31.

Greens leader Adam Bandt has hinted the legislation should exclude new gas and coal facilities, while the Coalition is moving to oppose the bill entirely.

Climate Change and Energy Minister Chris Bowen is moving to tighten the existing safeguard mechanism from July 1, putting greater pressure on more than 200 of the nation’s biggest industrial, resources and manufacturing facilities to slash emissions between now and 2030.

Under the legislation due to come before parliament this month, facilities that beat their targets under the revised scheme would be able to generate Safeguard Mechanism Credits (SMCs) that can be traded to firms falling short.

> **There will be less incentive to reduce emissions.**
> Hugh Grossman, RepuTex

RepuTex managing director Hugh Grossman said the creation of SMCs would be a critical driver of technological investment in internal abatement by big emitters, creating a financial incentive for early action.

“It’s an ironic twist for the Greens,” Mr Grossman said. “They are lobbying against the use of offsets, but by blocking the creation of Safeguard Mechanism Credits they could lead to the wider use of Australian Carbon Credit Unit (ACCUs) because industries wouldn’t be rewarded for lowering their on-site emissions.

“If you remove that, there will be less incentive for industry to reduce emissions.”

Labor will need the support of the Greens and at least one independent senator to pass the enabling legislation.

The warning to the Greens by RepuTex comes after demand for ACCUs exploded last month.

A record 3 million ACCUs were traded on brokerages in January after Mr Bowen released Labor’s position paper on the design of his safeguard mechanism changes.

Some 2.1 million ACCUs moved via the spot market, with another 835,000 changing hands in the forward market.

Mr Grossman said the surge in volumes was being driven by investors betting that the big industrial emitters would soon begin entering the market to build up their ACCU stocks ahead of the start of the safeguard mechanism reforms.

“The main reason is initial interest from liquidity providers and speculators effectively building their position ahead of the entry of large high-emitting facilities,” he said.

He said many of the biggest facilities that fell under the safeguard mechanism were still on the sidelines and “yet to start building their market entry strategies”.

▶ Big energy users back code p8

These initiatives have paved the way for a bright future and have positioned Australia as a leader in the digital world.
From the chatbot's speech

Can ChatGPT do a better speech than a pollie?

Robo Risk AI technology is already a genuine threat.

Georgie Moore

ChatGPT is coming for academia, the office job and now federal parliament. Could a bot make a better politician? Well, it turns out the chatbot's observations are barely distinguishable from political speak, and two MPs say that is a serious problem.

Labor MP Julian Hill and the Liberal MP Aaron Violi used the return of parliament yesterday to make speeches partially written by the artificial intelligence chatbot to illustrate the challenges and opportunities posed by the technology.

The soaring popularity of the technology has sparked warnings including from Chief Scientist Cathy Foley, and for universities to rethink how they approach teaching and assessments. Big four consulting firm PwC has moved to caution employees against using material created by the chatbot for client work.

Mr Violi asked ChatGPT to respond to the "former government's policy on the digital economy", to which the chatbot noted the Coalition's "significant contributions to the growth and development of the digital economy".

"These initiatives have paved the way for a bright future and have positioned Australia as a leader in the digital world," the chatbot said in a short speech, the rest of which the backbencher wrote himself, about the digital economy.

"The fact that this program can create at the click of some keyboards a couple of paragraphs that, if I hadn't mentioned it, could have quite easily been accepted as a part of this speech in parliament raises those challenges around education and the risks to white-collar jobs," Mr Violi, who represents the Victorian seat of Casey, told *The Australian Financial Review.*

MPs Aaron Violi and (above right) Julian Hill. MAIN PHOTO: JAMES BRICKWOOD

Mr Hill warned that artificial general intelligence (AGI) presented "existential" and "catastrophic" risks if untamed, and said scientists' concerns about the risks of AI increasingly surpassed "asteroids, runaway climate change, super-volcanoes, nuclear devastation, solar flares or high-mortality pandemics. If humans manage to control AGI before an intelligence explosion, it could transform science, economies, our environment and society with advances in every field of human endeavour," the MP for Bruce in Victoria said.

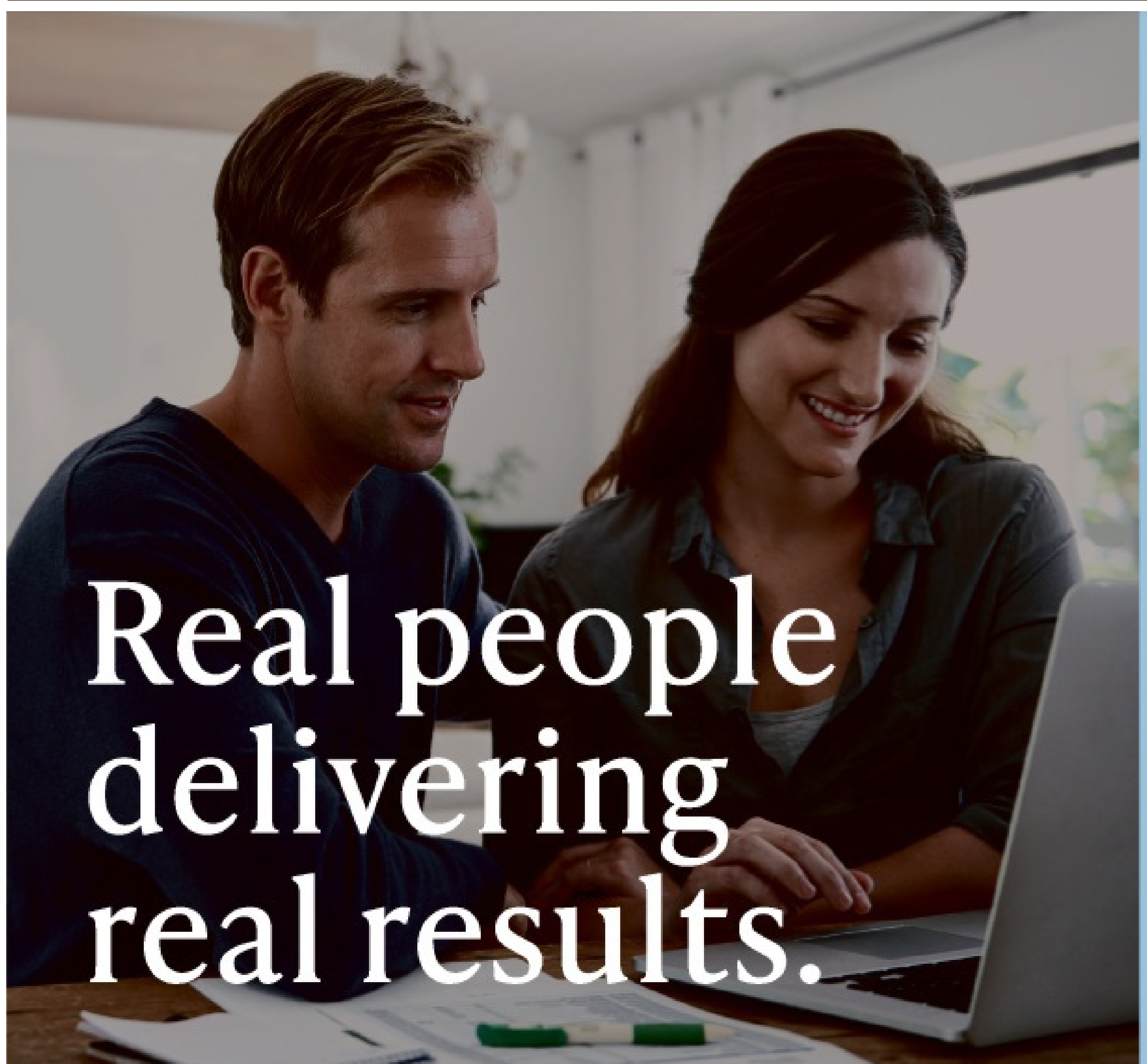
"But the risk that increasingly worries people far cleverer than me is the unlikelihood humans will be able to control AGI"

He told the *Financial Review* the technology "was advancing so rapidly that it can imitate anyone in society", including himself.

"Australia and governments right across the world are not nearly engaged enough as the tecnology is moving so rapidly", he said.

Mr Hill asked ChatGPT for a rundown on recent reports about the use of AI in students cheating, as well as a two-minute explanation about the risks and benefits posed by the technology.

The algorithm responded that teachers might not be able to detect when a student used AI for an assessment, making it difficult to stamp out cheating. "AGI also raises significant ethical and moral questions, such as who is responsible when a machine or algorithm causes harm or makes a decision that is harmful to individuals or society." "Mr Speaker, I have to admit I didn't write any of that. In fact, no human wrote that," Mr Hill told parliament.



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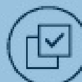
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Greens split a Senate headache for Albanese

Defector

Tom McIlroy and Phillip Coorey

A damaging split within the Greens has made Senate negotiations harder for the Albanese government, with the expanded crossbench requiring Labor to secure an extra vote for contentious legislation.

Victorian Senator Lidia Thorpe quit the Greens yesterday, moving to the crossbench over her opposition to the Indigenous Voice to parliament.

The Greens' Senate numbers drop to 11, leaving Labor needing the Greens plus two extra votes to pass legislation opposed by the Coalition.

The change raises immediate questions over the government's second wave of industrial relations reforms, planned for later this year, and could slow Senate passage of bills related to the Voice referendum. After lengthy negotiations, the first tranche of IR legislation was passed with only ACT independent David Pocock's support, and that of the Greens.

Next time, the government will need the Greens and two crossbench votes, likely from either Senator Pocock, Tasmanians Jacqui Lambie and Tammy Tyrrell or Thorpe. Other dealmaking is all but guaranteed.

Her defection also means there is a majority of non-government and non-Green senators for the first time, enabling government regulation to be overturned. This puts at risk the government's controversial regulations on superannuation disclosure, which Senator Pocock has been trying to disallow.

Under new regulations announced in September, super funds will provide less-itemised information on marketing, payments to unions and industry bodies to members.

Senator Thorpe gave Mr Bandt a commitment she would vote with Greens on climate issues, meaning negotiations over the so-called, safeguard mechanism could emerge unscathed.

A leading critic of the proposed Indigenous consultative body, Senator Thorpe had been pushing for other elements of the Uluru Statement from the Heart to be implemented first, including a truth-telling process and a treaty with Indigenous communities.

The party's former First Nations spokeswoman, she appeared isolated within the Greens before the decision. The Greens were preparing to announce support for the Voice proposal as soon as last night, but Senator Thorpe was opposed.

Announcing her decision after a meeting of MPs yesterday, Senator Thorpe said she would vote with the Greens on climate legislation, but declared herself a leader of the "Black sovereign movement".

She has called on Labor to immediately implement recommendations from the landmark Royal Commission into Aboriginal Deaths in Custody and the Bringing Them Home report on the Stolen Generations legacy.

A DjabWurrung Gunnai Gunditjmara woman, Senator Thorpe said advocating for Aboriginal and Torres Strait Islander justice had become impossible inside the Greens.

"Now I will be able to speak freely," she said.

"Greens MPs, members and supporters have told me they want to support the Voice. This is at odds with the community of activists who are saying treaty before Voice.

Leaving a Parliament House news conference without taking any questions, she said she was not announcing her final position on the Voice yet. "I've spent my entire life fighting for justice, to defend our sovereignty, to save black lives," she said. "This is my goal."

Mr Bandt said he was "truly sorry" to see Senator Thorpe quit the party, saying she left with enormous respect. He offered to take portfolio responsibility for the Voice, allowing her to remain as First Nations spokesperson.

"I wish she had made a different decision, but I understand the reasons that she has given for that decision," he said.

Mr Bandt said the Greens remained central to the balance of power in the Senate. In December, lower house MP Andrew Gee quit the Nationals over the party's opposition to the Voice. The former minister said he would advocate for a Yes vote in the referendum due before the end of the year.

Earlier, the prime minister used the opening of parliament for 2023 to urge support for the referendum. "We need to get the detail right and there would be a process, as well as that parliamentary debate about the legislation, and I'd want to get as much agreement as possible," Anthony Albanese said.

Greens leader Adam Bandt yesterday.

▶ **From the Gallery** David Rowe **p6**

Senator Thorpe announces her resignation from the Greens at Parliament House in Canberra yesterday. PHOTOS: ALEX ELLINGHAUSEN

Defection makes life trickier for Labor

Comment

Phillip Coorey

Seconds after announcing her resignation from the Greens, Lidia Thorpe walked into her office, took off her jacket, kicked off her shoes and said: "thank God that's f--king over".

Safe to say, the feeling among her now former colleagues was mutual. The government, however, will have concerns.

Thorpe, a high-profile recruit who won the Greens a Senate seat in Victoria at the election last May, has been more than a handful for Greens leader Adam Bandt. She didn't last a year, storming out of the party on Thursday because of her unwillingness to support the Voice to parliament, putting her at odds with her 11 fellow senators and four lower house colleagues.

In a bid to keep her in the tent, Bandt offered to take portfolio responsibility for the Voice and leave Thorpe with the rest of Indigenous affairs. That was totally unworkable.

The virtual free ride it has enjoyed in the Senate will become a little bumpier.

The Albanese government will welcome Thorpe's move to the fringe because it enables the Greens to coalesce behind a Yes vote for the Voice.

But the virtual free ride it has thus far enjoyed in the Senate will become a little bumpier due to the changing numbers. Before Thorpe's departure, the government, when opposed by the Coalition, needed the support of the Greens plus one of the five other crossbenchers. Now it will need the Greens plus two.

Thorpe said yesterday she would continue to vote with the Greens on climate policy, but that was all. The government has a big agenda coming up this year, including its second wave of industrial relations reforms.

Last year, it passed its first wave, which included multi-employer bargaining with the support of the Greens and David Pocock. Next time it will need the Greens, Pocock and one more. Jacqui Lambie voted against the IR laws last time, as did the other crossbenchers, the two One Nation senators and the the UAP's Ralph Babet.

Thorpe will soon find herself in that dark place for an independent crossbencher with hardly any staff and fewer resources. She'll have to get her head around IR and a lot more.

Also for the government, there is now a majority of non-Labor and non-Greens senators, meaning government regulations can be disallowed.

For months, Pocock has been trying regulations governing superannuation fund disclosures. He has the support of non-Labor senators except the Greens who have blocked the move because they, too, receive union donations.

Now, Thorpe can expect Pocock knocking on her door.

Deal means Alice Springs alcohol bans to be reinstated

Dry zones

Tom McIlroy

Alcohol bans will be reinstated in central Australia, under a deal between the federal government and the Northern Territory to stem violence and anti-social behaviour in Aboriginal town camps and remote communities.

Prime Minister Anthony Albanese and Northern Territory Chief Minister Natasha Fyles yesterday announced plans for legislation to reinstate dry zones, recommended by a snap review ordered over rising alcohol-fuelled violence and community disruption in Alice Springs.

Before the flare up in Alice Springs became a national political issue last month, the territory government had resisted calls to extend or reimpose grog bans first put in place during the Howard-era federal intervention.

But the review ordered by Mr Albanese, and conducted by Central Australian regional controller, Dorrelle Anderson, paved the way for community-based bans and local alcohol management plans to be reintroduced.

Under legislation set to be considered by the Northern Territory Legislative Assembly next week, communities will be allowed to apply to opt out of alcohol bans, provided 60 per cent of residents support the decision.

The alcohol plans will be reviewed by territory government officials.

The federal government will spend $250 million to better address the decline in some services in remote communities, considered a factor in the recent unrest.

"The Northern Territory and Australian governments will continue to work with the Central Australian community on longer-term solutions to the issues locals are facing," Mr Albanese said.

"As experts and community leaders have pointed out, alcohol restrictions alone will not address the underlying causes of antisocial behaviour. The issues are complex and have developed over decades."

The prime minister told parliament intergenerational disadvantage must be addressed in Indigenous Australia.

"It is about a lack of employment services, a lack of community services, a lack of educational opportunity.

"The truth is that all governments could have done better – all governments – Labor, Liberal, Northern Territory, here in Canberra could have done better," he said.

Ms Fyles defended her government's handling of the situation in Alice Springs, insisting alcohol is a legal product and describing her response as "agile".

"We've heard loudly and clearly that the matter and decision of alcohol on community needs to be one that is made by the entire community," she said.

"That is why we're creating a circuit breaker and implementing temporary dry zones until communities can develop and vote on the alcohol management plans."

In the year to December, property damage offences soared by nearly 60 per cent in Alice Springs, while commercial break-ins and alcohol-related assault offences were up by more than 55 per cent.

Domestic violence assault offences were up by nearly 54 per cent and house break-ins by more than 22 per cent.

Locals said many of the problems related to remote community residents visiting Alice Springs to access government services, including health and welfare.

The federal opposition welcomed the funding announcement but said Labor had been too slow to act.

NSW cashless pokies plan to cost $350m

Samantha Hutchinson

Dominic Perrottet has vowed to make every poker machine in NSW cashless within five years under a $350 million plan offering pubs and clubs zero-interest loans, grants and buybacks as he forges ahead with a plan to rein in gambling in the state.

But the state's largest poker machine operators are likely to snub an element of the plan proposing to buy back more than 2000 machines at a time when licences are changing hands for $600,000 each, according to analysts, pubs owners and brokers.

Under the plan, pubs and clubs will have five years to convert their machines. Small and medium-sized players will be given interest-free loans to help with the transition, as well as investment grants of $50,000, to encourage them to reduce their reliance on gambling income.

"We are delivering one of the biggest law enforcement and social community reforms in our state's history," Mr Perrottet said.

"I don't think there's a person in the state who doesn't know someone who has been affected by problem gambling, or will know someone whose family has broken down as a result ... the time for trials is over, the time for delivery is now."

Gambling reform advocate Tim Costello applauded the package for requiring punters to set limits before gambling, while other groups including Transparency International praised an attached measure proposing to ban political donations from pubs and clubs.

An element of the package proposing to buy back machines in a bid to reduce the number of licences in the state is likely to be snubbed by the state's biggest poker machine owners and could drive up the value of the machines, industry insiders say.

Single poker machine licences are currently changing hands for more than $600,000 each, with a block of three – in which a buyer is forced to surrender one machine to the state while keeping the other two – commanding as much as $1.3 million.

"I'd say a hotel with three or eight machines would want to sell their entitlements now, but if you're an operator in the top 100 hotels in the state and you've got 30 machines going, there's no way you would sell," broker Nick Tinning told *The Australian Financial Review*.

"They're a diminishing asset so they'll continue to increase in value".

While large private owners including the Nelson Meers Group and Arthur Laundy did not respond to the *Financial Review*'s requests for comment, Barrenjoey analyst Tom Kierath said listed and private companies with large poker machine holdings such as Endeavour Group were just as likely to snub buybacks.

"I don't think the big commercial owners will would be interested in selling their machines, because they run them well and they're very profitable," Mr Kierath said. "Whereas the smaller outfits in the country ... just don't have the same throughput."

The premier declined to comment yesterday on the cost of the buyback scheme, but a spokesman said the program was more likely to focus on the clubs sector, where licences are considerably cheaper than machines in pubs.

The premier unveiled the gambling reforms on the same day a parliamentary committee probing former deputy premier John Barilaro's appointment to a plum US trade post handed down an interim report that described the appointment as having all the hallmarks of a "jobs for the boys" decision. It also alleged senior Liberal Stuart Ayres had shown "poor judgment" in his role as trade minister overseeing part of the recruitment process.

When asked about the report, Mr Perrottet branded the findings as politically motivated and noted that he stood by Mr Ayres who he has said will return to cabinet if the Coalition wins the next election.

"I will listen to an independent former inspector of the ICAC [rather] than Labor and the Greens in a political committee," Mr Perrottet said.

▶ **Opinion** There are ethical ways of living with the thrill of gambling **p39**

The Laundys now own the Watsons Bay Boutique Hotel outright. Below: The Lennox Head Hotel overlooks the beach.

Laundys splash $150m on pubs deal

Larry Schlesinger

Rich Lister Arthur Laundy and his family have joined the spending bonanza in the hospitality sector after agreeing to pay about $150 million to acquire full ownership of five trophy pubs that they had previously owned jointly with long-term business partner Fraser Short.

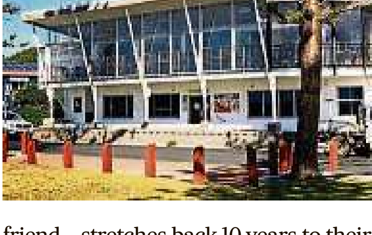
The hotels are the Watsons Bay Boutique Hotel in Sydney's eastern suburbs, Northies at Cronulla, Park House Mona Vale in Sydney's Northern Beaches and the Lennox Head Hotel and Illawong Hotel on the NSW North Coast. Also included in the deal is The Farm, a 32-hectare working farm and hospitality venue near Byron Bay.

The deal to acquire the remaining 50 per cent stakes in the six venues take total pub deals for the first five weeks of 2023 to about $330 million, after a record $2.2 billion of assets changed hands last year.

Considered both recession- and inflation-proof, the cash-flow-rich venues are now among the asset classes most sought after by both investors and publicans.

Full ownership of the five pubs and The Farm takes the Laundys portfolio to almost 90 venues.. The family has been keen to acquire and develop venues with a strong focus on quality food and beverage offerings.

The family's business partnership with Mr Short – a long-term family



friend – stretches back 10 years to their joint purchase of the Watsons Bay Boutique Hotel, which has been transformed into one of the city's most popular waterfront venues.

Since then, they have partnered on numerous other acquisitions with the Laundys taking a more passive silent partner role, leaving Mr Short to develop and run the businesses under his Sydney Collective hospitality banner.

Mr Laundy praised Mr Short for his efforts in turning these venues into a portfolio of "world-class" hotels and said he was excited to add them to the family business.

"Signing this deal gives myself and my kids a great platform to continue to grow Laundy Hotels as a family-friendly hotel group of the future," he said.

It is understood pub specialists HTL Property helped broker the deal between the Laundys and Mr Short.

Mr Short said selling these venues allowed him to simplify his life and focus on his family, including four children. "Arthur made me a really good offer which allowed me to take some money off the table and focus on being a better dad," he said.

"Running this business is a seven-days-a-week job. I'm almost 50. My late dad, Warwick, a successful publican, was only 60 when he died."

Mr Short is also selling his interests in The Morrison bar in the Sydney CBD and the Whalebridge bistro and bar at The Rocks. However, he will retain ownership of a number of smaller venues such as The Sir George in Jugiong in regional NSW and The Balcony in Byron Bay.

"I still love hospitality, but want to run one or two smaller businesses," he said.

Mr Laundy's son Stuart, who heads up transactions across the family business (and who went to school with Mr Short), said the latest acquisitions made Laundy Hotels probably the biggest seller of draught beer in the country.

"All of these pubs are huge businesses. It's also about the real estate. Owning an 80-acre (32-hectare) farm at Byron Bay is not a bad land bank."

Stuart Laundy, who last month warned against any knee-jerk response to problem gaming amid plans for a cashless gaming card in NSW, said the family's pubs were jam-packed.

"We've come out of COVID strongly as a nation and our customers are in a great mood," he said.

Alleged fraudster 'plotted overseas escape in notebook'

Jonathan Shapiro and Max Mason

Bill Papas, the man allegedly behind a $400 million bank fraud, plotted an overseas escape three years before he boarded a plane to Greece in late June 2021 as lender Westpac confronted him about financing arrangements, the Federal Court has heard.

The revelation was made by lawyers for Westpac in its opening submission, as the bank, with two other international lenders, pursue Mr Papas and others individuals and entities over hundreds of millions of dollars of losses.

A diagram found in a notebook seized during a raid of Mr Papas' property appeared to illustrate a detailed plan and most likely was written before April 2018, lawyers for Westpac argued.

The steps made reference to "fraudulent transactions" and another "overseas escape", which Westpac's barrister, Jeremy Stoljar, SC, described as a "rather telling entry".

"That is well in advance of what in fact occurred in 2021, three years later," he told the court yesterday.

"It's as if the detail of what was being thought through had been planned meticulously."

Mr Papas boarded a plane headed for Greece in late June 2021 and has yet to return to Australia despite initially saying he would do so.

He left the country after Westpac began to suspect that contracts presented by his company Forum Finance as part of financing arrangements may have been fraudulent.

Westpac, SMBC and Societe Generale have pursued Forum, claiming they had been defrauded of $400 million.

The notebook diagram also listed further steps such as "reputation credibility" and a further step to "tell Vince

Bill Papas bought his second Wagstaffe holiday home for $5.8 million in 2019.

everything", an apparent reference to Papas' business associate Vincenzo Tesoriero.

"We'll certainly be respectfully submitting in due course that that supports the inference that in fact occurred, and then Vince was told everything," Mr Stoljar told the court.

Mr Tesoriero was a joint shareholder in Forum Group Financial Services, an entity that has been described as "the main vehicle through which the fraud was perpetrated".

Mr Tesoriero has denied knowledge of the scheme and is a respondent to the proceedings in the trial, which has been scheduled for three weeks before judge Elizabeth Cheeseman.

Yesterday, Mr Stoljar detailed how the fraud worked and why it went undetected for several years. Westpac and other lenders advanced funds to Forum via a broker, in the belief it was financing equipment in the possession of blue-chip customers such as Coles, Scentre, Veolia and WesTrac.

But the documents, Mr Stoljar said, were fraudulent.

Forum was "left with simply a large sum of money paid to it by Westpac which it could then do with as it sees fit".

"As soon as the funds were deposited by Westpac into Forum Finance's account, they moved across to FGFS and from there they moved out to other entities," he said.

The court heard how the proceeds of the funds provided were spent on holiday homes in Wagstaffe on the NSW Central Coast, expensive sports cars, luxury yachts and horses.

"It is simply inconceivable that an office supply company is earning the sort of money that would be required to be buying multiple Porsches, Lamborghinis, racehorses and all the rest of it," Mr Stoljar said.

"It was all just too good to be true, and it was plainly obvious to any reasonable person in the position of some of these principals that there was something very wrong going on."

The hearing continues.

ANZ back to the bargaining table after seven years

David Marin-Guzman
Workplace correspondent

ANZ has restarted collective bargaining over pay for the first time in seven years, joining a wave of major employers reviving dormant union agreements after Labor's industrial relations overhaul.

The bank reversed its long-time opposition to a new deal with the Finance Sector Union covering more than 20,000 staff just days after the federal government's Secure Jobs, Better Pay laws were passed and is set to meet the union later this month. The change of heart follows Coles' returning to the bargaining table last month, three years after exiting enterprise bargaining for its 100,000 retail staff.

FSU national secretary Julia Angrisano said ANZ's return was a "huge win" and that the union had been holding "constructive discussions" with ANZ. "The IR bill is a significant step towards fixing our broken bargaining system and will provide thousands of finance workers with greater access to bargaining," she said.

"We believe this legislation was the catalyst for ANZ seeking to negotiate with our members once again over wages and conditions."

ANZ declined to comment. The bank's last FSU agreement was negotiated in 2015 and expired in 2017.

The FSU last year threatened to seek a sector-wide deal to cover ANZ and Commonwealth Bank if they further shunned enterprise bargaining by using the proposed multi-employer bargaining laws under the Secure Jobs, Better Pay bill.

The bill, which passed parliament on December 2, allows for multi-employer bargaining and introduces union powers to restart negotiations when employers have agreements that expired in the past five years.

The laws received royal assent on December 6. ANZ met the FSU to discuss renegotiating its agreement on December 8.

Workplace Relations Minister Tony Burke said ANZ was one of many employers bargaining again after years of expired agreements.

"There's a series of big employers that didn't want to be part of multi-employer bargaining and, therefore, are now negotiating [single enterprise agreements] again," he told the ABC yesterday.

"Had the legislation not gone through that wouldn't be happening right now. It is. We said we'd get people back to the table again, and it's happening."

The FSU has been pursuing wage claims of 6 per cent a year among the big four banks and has also flagged employee protections and flexibility around working from home, including a right to disconnect from work.

The union had requested ANZ bargain soon after the election mid-last year. However, the bank, which has been granting pay rises through direct agreements with staff, said at the time its preference was to set up a "consultation framework" on increases.

"We have indicated to the FSU that due to a new payroll system upgrade, our preference is not to renegotiate an EBA this year," a spokesman said in July.

The union argued any ANZ decisions on pay or conditions outside of bargaining process were the bank's unilateral decisions.

"The fact that it has taken seven years for these corporations to engage with the FSU is shameful. However, we are committed to bargaining in good faith and winning leading wages and conditions for our members," Ms Angrisano said.

The Australian Financial Review reported last week that unions were reporting a shift in employer attitudes since the December bargaining laws and that many were reviving dormant "dead" agreements, including companies in the resources sector such as BP.

Collective agreements, once seen as the key driver of wage growth, have been in a long-term decline for the past decade and at the end of September employee coverage had fallen to less than 11 per cent of the private sector.

Somewhere over the rainbow | Beachgoers pictured on the rainbow walkway at Coogee Beach. The colourful walkway is one of the highlight inclusive features for World Pride, which is being hosted in Sydney from February 17 to March 5. PHOTO: GETTY

Big energy users back code to fix gas market

Mark Ludlow

Big energy users have backed the Albanese government's proposal for a mandatory code of conduct for gas producers, saying critics of the intervention had no idea how "dysfunctional" the east coast gas market had become.

While Treasurer Jim Chalmers said the price caps had started to take the edge off electricity price increases in 2023, the Energy Users Association of Australia said many companies and manufacturers were still struggling with high gas prices.

EUAA chief executive Andrew Richards said the code of conduct was needed alongside other government policies, including the Australian Domestic Gas Security Mechanism, the Heads of Agreement with gas producers and the corporate regulator's price monitoring reports, to tackle the lack of competition in the gas sector.

"We support the government's approach with the code because it will limit the potential for distortion and provide overall net benefits to the economy," Mr Richards said in the association's submission to Treasury.

"Continuation of the current situation is untenable because it will lead to considerable dislocation in manufacturing industry which will have significant flow-on impacts on employment and consumer prices."

Gas producers have said uncertainty over the code of conduct, where breaches can incur penalties of $50 million, had left them unable to offer contracts with the market coming to a virtual standstill.

There are also heightened tensions over the proposed inclusion of "reasonable pricing" rules for the sale of gas in the wholesale east coast market.

The code of conduct will kick in after the $12-a-gigajoule price cap lapses after 12 months later this year.

Mr Richards said the gas industry's call for more supply as the solution to put downward pressure on prices was a "rather simplistic solution to a complex problem".

"Long-term state restrictions on exploration and the development of new fields will not change in the future," he said. "Santos continues to face hurdles in developing the Narrabri project that is dedicated to local supply at the same time as reserves in Victoria are depleting."

Mr Richards said the recent Australian Competition and Consumer Commission report had highlighted the big jump in price offers for 2023 – up from $9.20 a gigajoule in 2021 to $30 a gigajoule late last year.

He said some EUAA members had been offered supply this year at above $60 a gigajoule. "These prices had no relation to producers' cost of production," he said.

He said the association had worked with the former Coalition government on a voluntary code of conduct with the gas industry, but any new mechanism had to be mandatory.

The big energy users want the code fast-tracked as soon as possible to allow them to start contracting gas for 2024 and beyond by the mid-year.

The EUAA said in the future it would like gas retailers and any LNG import terminals to be included in the mandatory code to ensure producers act in good faith.

Coalition demands Labor adopt controversial advice plan

Aleks Vickovich
Wealth editor

The federal opposition says it is prepared to back Michelle Levy's controversial plan to deregulate the financial advice sector and called on the government to release her review's final report and implement it in full.

Ms Levy handed a copy of the Quality of Advice Review's final report to Assistant Treasurer Stephen Jones in December, but it has yet to be released publicly.

Some industry stakeholders had expected to see it before parliament resumed yesterday.

Coalition financial services spokesman Stuart Robert said 50 days was more than enough for the relevant minister to get across the report's findings – particularly given Ms Levy had said she had made relatively minor adjustments to the proposals in her draft report in August, extracts of which were first published by *The Australian Financial Review*.

"The report should be released right now and the government should adopt every single one of the proposals [the chairwoman] is recommending," Mr Robert said yesterday.

"The opposition will support the government on a very fast passage through the house and legislative changes. There is enormous support across industry [for the review's draft proposals]."

The review's 12 draft proposals – which included removing Labor's landmark duty for advisers to act in the best interests of clients (and associated paperwork) for some forms of advice – were backed by the Financial Services Council, financial adviser bodies and a handful of big industry superannuation funds.

But consumer groups and financial counsellors, along with some corners of the splintered financial advice sector, lashed the proposal to scrap the best interests duty and "make it easier" for banks, super funds or insurers to give simple or scaled forms of advice.

Stuart Robert says the financial advice sector has "professionalised". PHOTO: ALEX ELLINGHAUSEN

Asked to comment on criticism that the draft report would return the financial services industry to the "bad old days", Mr Robert – who sat on the parliamentary committee that led to Labor's financial advice reforms in 2012 – said the consumer groups were "dead wrong".

"The industry has professionalised itself extensively [since 2012]," Mr Robert said. "It's now time to lessen the regulatory burden and widen the capacity for support to Australians.

"The government is being held hostage by consumer groups now, who, frankly, if they're saying 'no change', are advocating for the wealthy – because they're the only ones who can afford advice."

The number of people getting advice has plummeted from 3 million to just 1.8 million since 2007, despite population growth in that time, according to researcher Investment Trends. Median fees have risen about 40 per cent since the Hayne royal commission in 2018.

However, Mr Robert agreed with consumer groups that the big retail banks and superannuation funds should not provide "full-throttle" financial planning services, given the damning findings of the Hayne inquiry.

He said the Coalition would not support or "allow" a total expansion of the advice provided to consumers by these institutions, but that Ms Levy's draft proposals would merely "clear up" some grey areas of the law and allow them to more effectively help customers of the institutions' existing banking and retirement products.

Consumer groups Choice and Super Consumers Australia declined to comment before the final report's release.

Mr Robert said it would not be appropriate for the government to announce another round of public consultation after the report's release.

"They've had 12 months, it's been the most extensive consultation, there's no excuse to kick it around," said Mr Robert. "With the banking royal commission, we released our response on Monday, and we got the report on Friday, so we did it over a weekend."

A coalition of 13 industry bodies representing investors, wealth managers, accountants and stockbrokers calling itself the Joint Associations Working Group wrote to Mr Jones last week calling for "urgent action" to boost consumer access to advice.

Australia floats spy balloon fear with China

Trade Minister Don Farrell speaks to China's Minister of Commerce, Wang Wentao, yesterday. PHOTO: AAP

Andrew Tillett

Diplomats have raised the Albanese government's concerns with Chinese counterparts over the spy balloon that flew over the US, as former military chiefs said they expected Australia would also shoot down a Chinese spy balloon if Beijing tried the same tactic.

Foreign Minister Penny Wong indicated the government would "protect our sovereignty", as the presence of the balloon over the continental US and its downing by an American fighter jet sparked fresh tensions between Beijing and Washington.

Defence Minister Richard Marles and former defence officials said they had no knowledge of Chinese balloons ever flying over Australia, although such issues were closely monitored.

The Australian Financial Review understands Australian officials aired their concerns in Beijing on Sunday and Canberra yesterday.

Although Senator Wong said the balloon's mission breached international law, it was important that competition between the US and China did not escalate, and the incident would not derail Australian efforts to stabilise the bilateral relationship with Beijing. A virtual meeting between Trade Minister Don Farrell and his Chinese counterpart went ahead yesterday afternoon but failed to produce an immediate breakthrough over Beijing's trade sanctions against $20 billion of Australian exports.

China said it raised concerns during the meeting about security inspections on Chinese companies investing and operating in Australia.

"The Chinese side is highly concerned about Australia's tightening of security inspections on Chinese companies investing and operating in Australia, and hopes that the Australian side will properly handle relevant cases and provide Chinese companies with a fair, open, and non-discriminatory business environment," China's Commerce Ministry said in a statement.

Senator Farrell accepted an invitation to visit Beijing and said he and Commerce Minister Wang Wentao had agreed to "enhance dialogue . . . as a pathway towards the timely and full resumption of trade".

"Our discussion covered a range of trade and investment issues, including the need for resumption of unimpeded trade for Australian exporters, so that Chinese consumers can continue to benefit from high-quality Australian products," Senator Farrell said.

> **Highly concerned about Australia's tightening of security inspections.**
> China's Commerce Ministry

"We agreed to explore further opportunities for co-operation on a wider range of issues, including climate change and support for business delegations to further strengthen links between our countries."

In his opening remarks, Mr Wang dashed expectations of a speedy end to the trade impasse, saying the meeting – the first at ministerial level since 2019 after China ended its freeze on high-level dialogue – was aimed at building trust.

Senator Wong would not be drawn on hypotheticals about whether Australia would shoot down a Chinese balloon, but said the government "will always act to protect our sovereignty and we'll always encourage other countries to act in accordance with international law".

Former Royal Australian Air Force chief Leo Davies, who retired in 2019, said he had never heard of a Chinese balloon entering Australian airspace.

However, if one did appear, he said a decision whether to shoot it down would depend on where it had been and where it was tracking.

Mr Davies said Australia's relative sparseness compared with the US meant the military had more latitude to shoot a balloon down. "If it was reasonable to assume it was tracking towards some military or industrial facility that didn't need to be overflown, then shoot it down," he said.

University of Melbourne atmospheric chemist, associate professor Robyn Schofield, said it would be impossible for a Chinese balloon launched in China to reach Australia. "You can't launch something in the northern hemisphere and have it come to the southern hemisphere," she said.

▶ World p11

No end near to consultant spending

Tom Burton
Government editor

Federal government plans to build an in-house consulting model to cut the high cost of advice and rebuild public sector skills hit a setback, after the UK closed its in-house service last week.

Crown Consulting was the model being used by the Australian government to develop its in-house program. Closure of the UK hub comes as the Australian National Audit Office on Friday released details of tender contracts in the past nine years.

Contracts marked with a "consultancy tag" had increased to $888 million in the financial year ended June 30 from $352 million in financial 2013.

However, many contracts are not tagged "consultancy", especially large technology project contracts, leading to an underreporting of consulting spend. *The Australian Financial Review* last year estimated the five largest consulting firms secured a record $2 billion worth of taxpayer-funded work in financial year 2022.

Started in May 2021, the UK's Crown Consulting closed quietly on January 31 amid reports that agencies were not using the service. The minister who had promoted taking consulting in-house, Theodore Agnew, resigned early last year. Mr Agnew had said the overuse of consultants "infantilises" public servants.

Based in the UK Cabinet Office and funded by all departments, the hub provided senior officials and ministers with an option to use internal public service resources for complex and time-bound projects.

It triaged consulting proposals and published a consultancy playbook to guide officials and record and reuse the knowledge developed by or accessed through consultancy assignments and firms.

Outsourcing

Federal govt consultancy related contracts — Number (LHS) / Value ($m, RHS)

Left axis: 1000, 2000, 3000, 4000, 5000 · Right axis: 200, 400, 600, 800, 1000

FY13 FY14 FY15 FY16 FY17 FY18 FY19 FY20 FY21 FY22

SOURCE: AUSTRALIAN NATIONAL AUDIT OFFICE

The Labor Party in opposition had pledged to make $3.1 billion in savings by reducing the use of consultants and contractors by federal agencies.

A spokeswoman for Finance and Public Service Minister Katy Gallagher said she was aware the UK government had ceased its in-house consulting hub "for a range of reasons".

"Development of an in-house consulting model for the Australian Public Service is under way as part of a broader strategy to build a stronger public service while reducing reliance on contractors and consultants," the spokeswoman said.

"The Australian model is being co-designed with a broad range of stakeholders and is subject to budget consideration. In developing this model, we are considering experiences from other jurisdictions, including the UK, and existing models within Australia."

Senator Gallagher announced the plan to reduce the dependency on consultants last October and rebuild "core capabilities and functions".

"We know that there is deep expertise across the Australian Public Service for functions like this. Like data analytics and evaluation, customer service and event management, foreign policy, geoscience, or curating priceless historical collections," she said.

"An in-house consulting model will give public servants the opportunity to develop expertise, further build relationships, collaborate with colleagues and challenge themselves in new ways."

One of the criticisms of using consultants has been that senior officials shopped around for the advice that they wanted to hear.

The robo-debt royal commission heard that PwC was asked to complete a damning interim report commissioned by former human services minister Alan Tudge.

A "visual presentation" was made to Human Services Department executives but PwC never handed over a final written report, despite being in the late stages of drafting its findings.

Similarly, top-tier legal firm Clayton Utz offered to tweak "catastrophic" draft advice that the robo-debt scheme was not lawful, but noted there was not a lot of room to move. Instead, no final advice was requested.

Feds, NSW to share driver's licence, Medicare credentials

Tom Burton

The first steps towards integrating state and federal services around people's major life events have started, with NSW and the Commonwealth agreeing to share Medicare and digital driver's licence credentials in their respective service apps.

It comes as the federal government considers a recommendation from David Thodey's myGov review to establish five-year plans with the states to integrate services around common life events. These include the birth of a child, death of a loved one, first employment and enrolment to vote.

Sharing federal Medicare credentials in a digital wallet in the Service NSW app will mean the card has been validated at source by Medicare, and NSW residents can securely use the credential for 100-point identity checks.

As more people forgo physical wallets, the digital card will also be more convenient as a point-of-care credential. And as health providers increase scanning options for scripts, imaging, pathology and referrals, the virtual card will better integrate data for patients.

The Medicare card will also be able to be linked with other discounts such as state-based seniors cards.

Government Services Minister Bill Shorten said the move would make it easier to access digital government and be taken up by other jurisdictions.

"The good news is, at least for Australians who live in NSW, that they'll have the federal and state government talking to each other and that you'll be able to access digital information and ID a lot easier than it currently is," he said. "I hope that other states in the Commonwealth take up the same opportunities that NSW has."

Mr Shorten confirmed the myGov app would also support the NSW digital driver's licence, allowing it to be used to prove identity, location and age.

The decision to share credentials between the largest state and the Commonwealth was historic, said NSW Minister for Customer Service Victor Dominello.

"This is a really big step forward for digital infrastructure in this country. Two hundred years ago we put the railway network down in this country, about 100 years ago we put the energy grid down," Mr Dominello said.

"This century is about putting the digital architecture to empower the people of this great country.

"This partnership with the federal government is a great first step."

Medicare cards can be installed on the federal myGov app next month and on Service NSW in the third quarter of the year. The NSW driver's licence is expected to go live by year's end.

Mr Shorten said enabling state credentials on the myGov app would help firms manage sensitive identity data better, after identity data breaches at Optus and Medibank led to large-scale leakages.

"We want to take the pressure off private organisations and the private sector having to ask for a whole lot of data from citizens," he said. "I hope that that building block will ... protect people's privacy, giving citizens control over their data. And also take some pressure off private companies."

NSW Customer Service Minister Victor Dominello and Government Services Minister Bill Shorten.

FINANCIAL REVIEW

ALPHA LIVE

THURSDAY APRIL 27, 2023
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Canberra's China reset may be up in the air

Analysis

Michael Smith

Tokyo | High hopes for an Australia-China reset have been tempered just weeks after Xi Jinping extended an olive branch to both Canberra and Washington.

The Pentagon's decision to shoot down an alleged Chinese spy balloon highlights just how fragile the peace being brokered between the world's two greatest powers is.

China's sheer audacity sending a surveillance balloon over sensitive US military sites and the public nature of the incident that was broadcast live all weekend comes as the Democrats and Republicans talk tough on China ahead of next year's presidential elections.

If US-China relations head downhill again, it will be difficult for Australia to avoid being caught up in the fallout. No matter how keen Beijing is to mend ties with the Albanese government, it still views Australia as Washington's "deputy sheriff" in the region.

"I am astonished at our willingness to be lulled back into this idea that everything is fine with China because we get friendly statements from the MFA (Ministry of Foreign Affairs) for a few months," says Peter Jennings, former chief of the Australian Strategic Policy Institute (ASPI).

"Strategically nothing has changed in terms of their military plans, [and] broader objective for regional domination," he says.

Many of those in Australia's business community dealing with China do not agree with Jennings. (Some, complain when the media even quotes him).

Their focus is on Australia's important and economic trade ties with China rather than unresolved long-term security issues such as Beijing's claims over Taiwan and its growing influence in the Indo-Pacific.

The level of optimism in the business community about China is now at the highest level it has been since the Turnbull government started getting tough with Beijing in around 2018. As *The Australian Financial Review* reported last week, dozens of prominent chief executives will travel to China in the next two months to rebuild business ties.

China, too, is keen to win back Australia's trust. With Xi focused on rebuilding the economy after three years of lockdowns, he needs access to Australia's resources and an end to the political bickering that did not do him any favours on the international stage.

Analysts believe Beijing's relatively measured response to the balloon downing is evidence that Xi does not want to return to the wolf warrior diplomacy path at such a sensitive time for his economy. China's Defence Ministry called it an "obvious over-reaction".

So far, it has not directly affected Australia-China relations. Trade Minister Don Farrell met online with his Chinese counterpart, Wang Wentao, as scheduled yesterday. The first meeting of the country's trade ministers in three years is significant given how frosty relations were less than a year ago. There are now high hopes restrictions on Australian coal, seafood, beef and possibly other products will be lifted.

Yang Tao, a Chinese Commerce Ministry official, last week tried to deny political sanctions on Australian exports were ever in place. "The inspection and quarantine and trade remedy measures adopted by China strictly abide by Chinese laws and regulations and World Trade Organisation rules. It is obviously inappropriate to misinterpret them as restrictive measures," he said.

This is not true, obviously. Everything in Communist-ruled China is political.

So, if the spy balloon incident escalates into a broader falling out between the United States and China then it would not take much to put Australia, and its exporters, back into Xi's bad books.

President Joe Biden ordered the US military to shoot down China's spy balloon last Wednesday, but waited until it had cleared the US land mass. PHOTO: AP

Navy scours ocean for China's balloon as US weighs retaliation

Daniel Flatley, Jenny Leonard and Iain Marlow

Washington | The US sent divers to salvage what they believe is spy equipment from the Chinese balloon shot down off South Carolina, as pressure mounted on President Joe Biden to hit back at Beijing with new export controls on sensitive technology.

The government anticipated finding equipment capable of taking detailed photographs, along with other sensors, one person familiar with the matter said. US legislators were already demanding to know if the balloon's payload contains technology from the US or its allies, another person said.

Both asked not to be identified because the administration does not want to reveal exactly what it suspects the balloon was carrying.

The balloon, said to be the size of at least two school buses, and its sensors are lying in 15 metres of water and scattered over an 11-kilometre area off Myrtle Beach. Divers and cranes operating from the surface were expected to haul it up in the coming days, potentially giving intelligence analysts crucial insight into Chinese spying capabilities.

While China says the device was a climate-research "airship" that strayed off course, the US argues it was part of a broader spying program by Beijing. With that in mind, the Biden administration was calibrating how severely and swiftly to retaliate, people familiar with the matter said.

In a sign of more tension to come, the Chinese Foreign Ministry sharpened its tone on Sunday (yesterday AEDT) after an American F-22 fighter jet popped the balloon with a Sidewinder missile and sent its payload crashing into the Atlantic Ocean. Beijing called the decision a "clear overreaction" and said it reserved the right to respond.

"China will resolutely safeguard the legitimate rights and interests of the company concerned, and reserves the right to make further responses if necessary," Chinese Vice Foreign Minister Xie Feng said, according to a Foreign Ministry statement. Mr Xie lodged a formal diplomatic protest with the US Embassy in Beijing.

Chinese stocks extended losses as the episode stoked fears of economic retaliation yesterday, a day when investors had been expecting a relatively positive visit to Beijing by Secretary of State Antony Blinken. "Both sides will likely impose more export bans on technology in different industries," Iris Pang, chief economist for Greater China at ING, wrote in a note.

Remains of the suspected spy balloon fall into the ocean. PHOTO: REUTERS

While the balloon may be out of the sky, the bizarre saga that surrounded it is far from over. Mr Biden would almost certainly make reference to the episode in his State of the Union speech on Tuesday (tomorrow AEDT), another person familiar with the matter said.

One option would be to send Mr Blinken to China with a much tougher message than the one he had planned to bring this week, before he postponed the trip. People familiar with the matter said he did not want to risk the public-relations disaster of landing in Beijing while the balloon was still in the air over US territory.

Now, the administration believes Mr Blinken should reschedule his trip soon. They argue for a much tougher approach both on the balloon and evidence the US has that officials say shows Chinese companies have been quietly supporting Russia's war effort in Ukraine.

The episode is already ratcheting up pressure on the administration to push even harder with its existing strategy of trying to hobble China's ability to access high-tech semiconductors used in sophisticated military applications, as well as the valuable equipment used to manufacture such chips.

And even if it does not spur specific new measures, the embarrassingly public act of alleged espionage has made it more difficult for the US and China to stabilise diplomatic ties over thorny issues such as Taiwan, particularly with the Biden administration facing growing pressure from critics and a Republican-controlled House of Representatives.

The administration has already faced fierce Republican criticism for being weak on China and not shooting down the balloon sooner. US officials argued that it simply was not safe to bring the balloon down over land when it was carrying a large and heavy payload. "Clearly this was an attempt by China to gather information, to defeat our command and control of our sensitive missile defence and nuclear weapon sites," said the chairman of the House Intelligence Committee, Republican Mike Turner, among members of Congress on the Sunday news shows. "That certainly is an urgency that this administration does not recognise."

Balloons like the one blown apart Saturday are not uncommon, but this time the Chinese made a mistake by flying it low enough to be spotted by commercial pilots and people on the ground, according to one person familiar with the matter.

Defence Secretary Lloyd Austin said on Saturday the US military was able to collect "valuable" intelligence by studying the balloon, and that three other Chinese surveillance balloons had transited the US when Donald Trump was president – a disclosure that Mr Trump denied.

"China had too much respect for 'TRUMP' for this to have happened, and it NEVER did," Mr Trump wrote on social media.

Starting in October, the Biden administration rolled out tough export controls against China that have curtailed Beijing's ability to access high-end semiconductors, and the US has only closed the vice more tightly since — including signing up nations to the effort such as the Netherlands and Japan, whose firms manufacture some of those chips. BLOOMBERG AND REUTERS

Ukraine shakes up top military leadership

Marc Santora, Shashank Bengali and Cassandra Vinograd

Kyiv | President Volodymyr Zelensky's political party said on Sunday (Monday AEDT) that it would move to replace Ukraine's defence minister, as fierce fighting raged in the east amid what Ukrainian officials say is the beginning of a new Russian offensive.

The fate of Defence Minister Oleksii Reznikov has been the subject of increasing speculation amid a growing scandal about financial impropriety within the ministry and an accompanying government investigation into corruption.

Davyd Arakhamia, the head of Mr Zelensky's Servant of the People party in parliament, said Mr Reznikov would be transferred to the leadership of another ministry and Major General Kyrylo Budanov, the current military intelligence chief, would replace him.

Mr Reznikov has not been directly implicated in any wrongdoing, and Mr Arakhamia did not link the move to concerns about the corruption scandal. Mr Reznikov would become the highest-ranking official in Mr Zelensky's government to be reassigned in the nearly 12 months since Russia's full-scale invasion began.

There was no immediate comment from Mr Zelensky. Mr Reznikov earlier on Sunday had addressed reports that he might be replaced by saying that only one person – Mr Zelensky – can decide if he stays.

"No official remains in office forever. No one," Mr Reznikov said during a news conference. He added: "I will do what the head of state suggests to me."

The expected shake-up at the top of Ukraine's military establishment comes as Kyiv's troops are under increasing pressure in the east, with fighting particularly fierce around the city of Bakhmut.

A Russian paramilitary leader said Ukrainian forces there were defending "every street, every house, every stairwell", as they waged an increasingly desperate effort to deny Moscow its first significant battlefield success in months.

Yevgeny Prigozhin, the founder of the Wagner private military company, whose forces have helped lead Russia's brutal campaign in Bakhmut, said Ukrainian troops were "fighting to the last", denying reports on social media that Ukraine's forces were withdrawing from the key city in the eastern Donetsk region.

"The Armed Forces of Ukraine are not retreating anywhere," Mr Prigozhin said in a statement posted by one of his companies on Telegram, the social messaging app.

As Russia pours more troops into the battle in eastern Ukraine, its Defence Ministry claimed that "offensive operations" had helped its forces gain "more advantageous lines and positions" around Donetsk. But there were growing signs that the bitter fighting was exacting an enormous toll on both sides.

Mr Reznikov told the news conference that 500 Russian soldiers were being killed or wounded daily in their drive to take Bakhmut. Ukraine's losses were significantly fewer, he said, without offering details.

It was not possible to independently verify either side's account of the fighting. But Mr Reznikov's tally roughly matched that of US officials, who believe hundreds of Russian soldiers are being killed or injured every day as the Kremlin rushes many more men – including lightly trained new recruits and ex-convicts – to the front line. Ukrainian forces have at times suffered similar losses in Bakhmut, US officials say.

Mr Reznikov acknowledged that the intense fighting was taking a toll on Ukrainian soldiers on the front line and that keeping up morale after a year of war was a "very serious challenge".

Since last European summer, the Kremlin's forces have bombarded Bakhmut, a city that Moscow sees as critical to achieving Russian President Vladimir Putin's objective of capturing all of Donbas, which includes Donetsk and the neighbouring Luhansk region. Ukraine has warned that Russia could be starting a renewed offensive in the east as its troops seek to give Mr Putin a victory to mark the anniversary of his invasion, on February 24.

Mr Zelensky warned in his nightly address on Sunday that Russia wanted to do something "symbolic", to "try to avenge their last year's defeats".

After losing significant ground to Ukrainian counterattacks last fall, Russia has escalated its campaign in the east, bringing in more troops and intensifying its artillery strikes.

THE NEW YORK TIMES

Making history | Beyonce, 41, picked up four awards at the Grammys on Sunday (Monday AEDT), breaking the record for the most career wins. The pop superstar surpassed the 31 trophies collected by late classical conductor Georg Solti. PHOTO: AP

Goldman man to be next Carlyle CEO

Dawn Lim

New York | Carlyle Group has chosen former Goldman Sachs co-president Harvey Schwartz as its next chief executive, the private equity firm's latest attempt to resolve a long-running succession challenge.

Washington-based Carlyle plans to announce Mr Schwartz's appointment as soon as this week, according to people familiar with the matter. Co-founder Bill Conway, 73, has served as interim CEO since Kewsong Lee resigned in August after a power struggle.

Mr Schwartz, 58, will take the reins of a firm that has grappled with management turnover. In recent years, Carlyle pushed to expand in the business of credit and beyond its buyout roots in an attempt to recover ground it had lost to bigger competitors.

The firm has struggled to convince investors about its path to growth, and its shares have underperformed rivals Apollo Global Management and KKR over the past year.

Members of Carlyle's board, who had been debating whether to tap an external candidate or hire internally, recently considered a shortlist including credit head Mark Jenkins and private equity investment chief Pete Clare.

In recent months, some directors told associates that Carlyle would benefit from hiring an outsider with a fresh perspective, according to people familiar with the matter.

With Mr Schwartz, Carlyle will gain a Wall Street veteran best known as a business operator. The board expects him to bring a focus on financial metrics and embark on a review of budgets, while continuing to build on the firm's push for new sources of revenue, the people said.

Carlyle declined to comment. Calls to Mr Schwartz were not returned.

He joined Goldman in 1997 as a vice president in its J. Aron currency and commodities trading unit, then run by Lloyd Blankfein.

After the 2008 financial crisis, Mr Schwartz steered the bank through new regulations and cost cutting. He advanced to become finance chief and then co-president and co-chief operating officer, departing in 2018 after David Solomon was chosen over him to succeed Mr Blankfein as CEO.

Carlyle's decision gives Mr Schwartz a top perch in a corner of finance that is increasingly challenging the dominance of banks.

Goldman, meanwhile, is retrenching and cutting costs after an ill-fated foray into consumer banking and an industry-wide slump in dealmaking.

Mr Solomon took a roughly 30 per cent pay cut for last year.

Mr Schwartz is stepping in just as the private equity industry too is confronting challenging times. Rising interest rates have put an end to an era of debt-fuelled growth and crimped valuations.

Many firms have had to walk back fundraising targets, with pension funds, endowments and other institutional investors overexposed to the asset class. Carlyle's fundraising for its buyout fund is slower than expected.

Carlyle built its brand as a private equity heavyweight as Mr Conway and fellow founders David Rubenstein, 73, and Daniel A. D'Aniello, 76, parlayed their government connections into deals, wealth and power. They collectively own more than 25 per cent of the stock and still wield significant influence in the boardroom and beyond.

The new CEO is likely to face questions about how he will maintain the founders' confidence while making his own mark on the firm.

Repeated leadership changes have eroded some of its clout. In choosing Mr Schwartz, the board has signalled it wants a chief best known for management skills, sources said. BLOOMBERG

Australian-linked e-bike solution powers ahead in South-East Asia

Emma Connors
AFR correspondent

Singapore | What do two Dutchmen, an Australian and a Brit living in Singapore have in common? The answer is a mix of banking, electrification, energy, and motorcycle nous that the four co-founders of MO Batteries hope will win over fleet operators across South-East Asia.

This week Singapore Post begins a trial of electric motorbike-charging technology developed by MO Batteries. The start-up believes swappable batteries – as opposed to recharging stations – paired with data analytics are the best solution for delivery businesses switching to electric vehicles.

MO has also worked with DHL to test drive its system in Ho Chi Minh City and is in discussions with Vietnam's Pizza 4Ps, among others.

MO co-founders include Tom Streitberg, who worked alongside his father, Eric, in ASX-listed oil and gas play Buru Energy before moving to Singapore a decade ago.

His MO partners include Olivier van Hardenbroek, a banker by background, Paul Booij, a scientist who was involved with electrification of Singapore buses, and Greg Willis, whose long experience at Harley-Davidson included launching the Livewire electric model into South-East Asia.

"I think everyone has a role to play in the energy transition. The question is, how can you use your expertise? With my background in the energy business, it makes sense to look at electrification," Mr Streitberg said.

Tom Streitberg, Olivier van Hardenbroek, Paul Booij and Greg Willis.

Like the Taiwanese giant Gogoro that dominates two-wheeler battery swapping in Asia, MO has convinced Singapore authorities its solution is worth trying.

Unlike Nasdaq-listed Gogoro, which has raised more than $US1.1 billion ($1.6 billion), MO has been operating on the electric equivalent of an oily rag – using just $1 million in external funding to develop a solution tailored for fleet operators.

By crunching data on a fleet's routes and deliveries across a particular region, MO sells a service as much as an EV solution, looking beyond electrification to cost efficiencies and emissions caused through battery production and other processes.

A fleet operator could end up using fewer e-bikes than petrol-powered vehicles – while also doing its bit to build out the MO charging infrastructure in the process, Mr Streitberg said.

"Unlike providers who just sell electric vehicles, we're not focused solely on unit sales. Electrification is great, but it only deals with tailpipe emissions. We're also thinking about how many batteries we're putting into the system; tracing emissions through to scope-two level."

SingPost has pledged to make its fleet all electric by 2026, a transition that will involve between 300 and 400 two-wheelers. MO is betting the city state's painstaking regulatory process will help it win business elsewhere.

In Vietnam, DHL spent two months putting MO e-bikes through their paces. The company is still evaluating the results but reports the feedback from couriers was positive.

In Asia Pacific, DHL's target is 1000 electric vehicles by 2024.

Inside

Aviation Bain upgrades Virgin valuation ahead of IPO **p15**

Office towers Skyscrapers to data centres, condos **p17**

Maley The teals face a tricky super question **p31**

Market snapshot

S&P/ASX 200 Index (points)

S&P/ASX 200 stocks Monday

Advancers	Close ($)	Change (%)
Newcrest Mining	24.53	+9.27
Beach Energy	1.54	+3.70
Incitec Pivot	3.53	+3.22
Whitehaven Coal	8.46	+2.92
Link Admin Hldg	2.04	+2.77
Decliners		
Lake Res	0.755	-6.21
Sayona Mining	0.245	-5.77
Core Lithium	1.065	-5.75
Brainchip	0.63	-5.26
Credit Corp Gp	22.03	-4.84

Indices	Close (points)	Change
ASX 200	7539.0	-19.1
Nikkei	27663.78	+154.32
Hang Seng (pm)	21211.14	-449.33
Shanghai A	3391.32	-29.34

Currency		Change
$A/US¢	69.48	+0.30
$A/¥	91.52	+0.16
$A/€	0.6435	+0.0024
$A/£	0.5755	+0.0013
$A/$NZ	1.0968	+0.0034

Rates	Close	Change
Cash rate %	3.10	steady
10-yr bonds $A	109.70	-0.40

Commodities	Close ($US)	Change
Gold (spot)	1878.21	+13.12
Iron Ore future (Feb 23)	123.50	-2.10
Oil WTI	73.62	+0.23

Go to afr.com for live updates

East Timor in fresh play for Sunrise plant

Angela Macdonald-Smith, John Kehoe and Colin Packham

The ease of securing approvals for gas projects in East Timor compared with the escalating difficulties in Australia should help persuade Woodside Energy's Sunrise venture to build a multibillion-dollar gas-processing plant there, the head of the nation's petroleum company says.

The comments from Timor Gap president Antonio de Sousa came as Woodside and its partners in the Sunrise field in the Timor Sea committed to carrying out a fresh study into the viability of taking the gas to East Timor for processing, dropping their previous insistence that it must be processed in Darwin.

Mr de Sousa told *The Australian Financial Review* that East Timor offered an attractive project planning and environmental approval process, highlighting the comparison with Australia which over the past decade had struggled to approve new gas projects such as Santos' $5.5 billion Barossa venture.

"This is something that is very important to consider," Mr de Sousa said. He also emphasised the study would examine the "socio-economic" benefits to East Timor's people from piping the gas there, as well as the geopolitical "stability" it could offer the region.

"This can only happen if the development of the Timor-Leste economy is secured," Mr de Sousa said.

Barossa is among offshore gas projects struggling to proceed in waters around Australia after a shock court ruling last year that resulted in the offshore petroleum regulator toughening up requirements for Indigenous consultation. The stricter conditions are threatening to derail approvals for other huge projects, including Woodside's biggest growth project under development, its $16.5 billion Scarborough gas venture in Western Australia.

Still, Credit Suisse analyst Saul Kavonic said the "economic realities" were still stacked against building the onshore Sunrise gas processing plant on East Timor.

"There is a lot of geopolitical pressure to see a Sunrise 'Lazarus'," and Woodside would like to find a way to make the project work, but the harsh economic realities of a development via Timor haven't changed, and are unlikely to change after yet another study," Mr Kavonic said.

"Unless a multibillion-dollar government subsidy is on the cards, or Timor agree to a Sunrise development in Darwin, the gas will remain in the ground."

> **There is a lot of geopolitical pressure to see a Sunrise 'Lazarus'.**
> Saul Kavonic, Credit Suisse analyst

Prime Minister Anthony Albanese will host East Timor's Prime Minister, Taur Matan Ruak, in Australia this week "to discuss Australia's partnership with Timor-Leste and opportunities for strengthening our economic, security and regional cooperation", the Australian leader's office said yesterday.

The long-stalled Greater Sunrise project holds 5.3 trillion cubic feet of gas that would most likely supply energy-short customers in Asia, helping ease a global shortage of gas this decade and providing a valuable source of revenue for the cash-strapped East Timor economy.

Continued p18

▶ MinRes hands Hancock victory in Warrego fight **p17**

Adamantem Capital's Georgina Varley led the deal to buy Retail Zoo – the owner of Betty's Burger. Current Retail Zoo CEO Nishad Alani will remain running the business, which also owns the Boost Juice brand.

Adamantem set to swoop on Boost Juice, Betty's Burgers

Carrie LaFrenz

Adamantem Capital has snapped up a majority stake in the Boost Juice and Betty's Burgers chains in a deal valuing parent company Retail Zoo at around $350 million, becoming the third private owner in a decade.

The firm has bought an estimated 70 per cent stake from Bain Capital. Other owners include Boost Juice founders Janine Allis and her husband Jeff, who are believed to have sold part of their stake to Adamantem.

As part of the deal, Ms Allis will remain a director at Retail Zoo and a shareholder, but it is yet to be confirmed if she will continue as chairman.

She said they were attracted to Adamantem's industry experience, responsible investing focus and partnership approach.

"Since starting more than 20 years ago, I am proud to see Boost Juice establish itself as an iconic Australian brand that resonates with a diverse

Continued p18

▶ Receivers call time as Openpay closes **p19**

Newmont takes a bite, mid-caps wait for the crumbs

Analysis

Peter Ker

Big deals trigger further deals, so you can understand why Australia's mid-cap gold miners were salivating at yesterday's news that the industry's apex predator Newmont Corporation was hot on the tail of the biggest fish in the local pond.

Some of the biggest names in the ASX listed gold sector have built their companies by gobbling up the crumbs that spill free every time the likes of Newmont and Canadian giant Barrick Gold do a deal.

The prime examples are Northern Star and Evolution Mining; two companies that rose from micro-caps to be globally regarded mid-tier gold producers over the past decade by buying the mines that Barrick and Newmont discarded every time they found a shiny new toy.

Should Newmont succeed in devouring Newcrest, it will no doubt want to own and expand the Cadia mine in NSW. It will probably like the mix of immediate cashflow and future potential at PNG's Lihir and will want the long-term optionality offered by Canada's Red Chris and PNG's Wafi-Golpu.

But it is harder to see Newmont having the patience for the more marginal Telfer mine in WA, even though the discovery of the Havieron gold and copper deposit nearby has revived its fortunes.

An auction for Telfer would attract plenty of attention, not least from mining billionaire Andrew Forrest, who has personally invested in the

Evolution Mining boss Jake Klein. PHOTO: LOUIE DOUVIS

small explorer that found Havieron in Telfer's hinterland – Greatland Gold.

Newcrest's stake in Ecuadorian explorer SolGold was worth about $84 million yesterday, and while it shapes as a good long-term prospect, a split in the share register is frustrating Newcrest and fellow shareholder BHP.

The owner of the tenements that surround SolGold, Gina Rinehart, would not doubt be interested if Newcrest's stake came on the market.

Fiji's Namosi project has sat on Newcrest's books for more than a decade with little progress. It is also too small for Newmont and would swiftly be cast aside to the pilot fish.

But Barrenjoey's Dan Morgan made the point yesterday that non-core assets could also be squeezed out of Newcrest under a scenario where Peter Tomsett's board chose to reject the Newmont bid.

"To defend a potential takeover, the Newcrest board may release additional information to the market on key projects such as Havieron, Red Chris and Golpu," he said, in reference to three of Newcrest's pre-revenue growth options.

"Non core assets might be considered for sale, such as Telfer-Havieron ... or Newcrest's 32 per cent stake in Lundin Gold." Mr Morgan said Newcrest's stake in Lundin could be worth $1.2 billion while its stakes in the province around Telfer and Havieron could fetch $1.9 billion. Selling them and buying back Newcrest shares could help keep Newmont at bay, or at least raise the offer price.

So deal or no deal, Newcrest's non-core assets are likely in play.

Years after it sold them the Superpit and Red Lake respectively, it's only fitting that once again it is Newmont carving a path for Northern Star and Evolution to finally reach the top of the ASX gold ranks.

▶ **Equities** Newcrest up on Newmont bid; ASX falls 0.3pc **p28**

▶ **Chanticleer** CEO woes behind $24b Newmont bid **p40**

▶ Live updates throughout the trading day at afr.com/street-talk
Edited by Anthony Macdonald: a.macdonald@afr.com, Sarah Thompson: sarah.thompson@afr.com and Kanika Sood: kanika.sood@afr.com

Newmont, Barrick or break-up? Newcrest Mining show on road

The ambulance chasing is in full force in Australian investment banking teams, who have no choice but to try to drum up a competing bid for Newcrest Mining.

At $24.5 billion, with a receptive share register, a difficult CEO succession story and one of the last big gold consolidation deals, Newcrest Mining looks ripe for the taking. The question is to whom, and how much they will have to pay.

Barrick Gold will be first call on every banker's list. The big Canadian gold group has been sniffing around Newcrest for years, there's significant geographic overlap in the two companies' assets, it wants gold in its homeland (which Newcrest has) and it has strong enough scrip to make a deal work.

Bankers' only fear is that Barrick CEO Mark Bristow has talked a lot about M&A in his four years in charge, but hasn't pulled the trigger. There's doubt in their heads about whether he's willing to pay up in a contested situation.

Fellow Canadian Agnico Eagle Mines was the other one on analysts' and mining CEOs' lips, although its plate's pretty full with other deals offshore.

Bankers are sure to go beyond the gold set. Inside Newcrest Mining there's a copper business that's about as big as OZ Minerals (on a production basis) now, and could easily double in size in coming years.

Copper's hot with BHP (which is set to outlay close to $10 billion to buy OZ Minerals) and Rio Tinto, neither of who's likely to want to be producing 2 million tonnes of gold a year but may be interested in a Newcrest asset or two. A similar case could be mounted for Glencore or Anglo American.

You could argue Newcrest, like Teck in Canada, could be worth more split up than under the one roof. No one wants Teck's coking coal assets but they would love its copper, while it's hard to see a BHP or Rio lining up for Newcrest's Lihir gold mine in Papua New Guinea.

So bankers will be thinking about a break-up between gold players who really want Newcrest's gold, and copper players who could get the heavier copper assets.

A break-up would obviously be a much more complex deal than selling to Newmont for scrip, but with Newmont already spoken for it could be the only other way to skin the cat and come out on top.

The only banks not chasing will be JPMorgan and Gresham (Newcrest's advisers) and Bank of America, Centerview Partners and Lazard (representing Newmont).

ANZ revs up brokers for $970m capital notes deal

ANZ Group has its band of investment banks and brokers back together for another trip to capital markets, this time chasing $970 million via the sale of hybrid securities.

The deal, slated to launch as early as this week, will replace ANZ Capital Notes 3, which were sold at a 3.6 per cent margin in February 2015 and raised the bank $850 million. It's expected to be worth $970 million, with the ability to raise more or less based on investor demand.

ANZ's brokers have started preparing their networks to bid. The bank itself flagged the upcoming issue at the end of last week, saying it had appointed nine joint lead managers and a pair of co-managers to get retail punters ready.

While the big syndicate means ANZ will need little additional help selling the securities, those outside the tent reckon it's likely to be hot given the dearth of other new hybrids due in the market in the coming six months. ANZ's ANZPF securities (the Capital Notes 3) are the only big bank ASX-listed hybrid due to mature in the near term – which is the best leading indicator for deals in the pipeline.

The big banks are the busiest ASX-listed hybrid issuers, and tend to base their new deals around maturities of existing notes. True to form, ANZ's upcoming notes will include a reinvestment offer for owners of the old ANZPFs.

ANZ's syndicate includes the bank's own desk, rivals Commonwealth Bank of Australia and Westpac, E&P Corporate Advisory, Morgan Stanley, Morgans, Ord Minnett, Shaw and Partners and UBS. The co-leads are Bell Potter and Crestone.

The last time ANZ went to market with a capital notes deal was February 2022, when it picked up $1.28 billion at 2.7 per cent above swaps.

JPMorgan wins day one battle; long way to go

Newmont Corporation's $24.5 billion bid for Newcrest Mining has sparked another mini battle – for supremacy among hedge fund trading desks.

All the desks were quick to run the ruler over Newmont's bid after Street Talk broke news of the talks, telling M&A arbitrage players that it was overdue and sound from a strategic point of view.

"NCM has been a takeover target for decades and we finally have an indicative proposal," Credit Suisse's Sujit Dey, the best known hedge funds sales trader in the country, told clients. "There were only ever going to be two potential bidders for it though. Agnico, Barrick and Newmont are the only players with a large enough market cap but Agnico recently did a major deal.

"So the question is whether Barrick competes against Newmont or not."

Dey told his charges there was a "reasonable chance" Barrick would get involved.

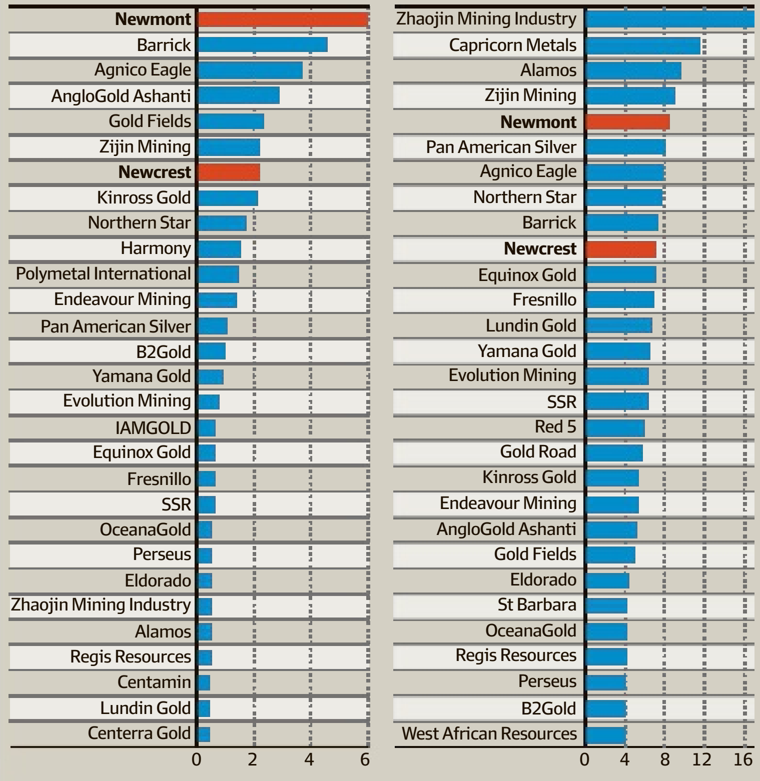
UBS' desk said Barrick was best placed to unlock value from Newcrest's much talked about PNG assets, which account for about 20 per cent of its valuation. It said the big Canadian had a history of working with governments from Africa to Pakistan, and would be keen on Newcrest's copper angle.

Canaccord told clients Agnico was likely too busy digesting Kirkland and buying a half-stake in Malartic (in Canada) – and wouldn't be too keen on entering PNG.

Goldman Sachs' desk said it was hard to see Newmont lifting its bid more than another 5 per cent, given it had already increased its scrip ratio from 0.363 to 0.38.

Bulking up

Global gold production, 2023 (koz '000s) | Global gold EV/EBITDA, 2023



"The bigger issue will be how NEM holders react to this – and the impact that will have on the scrip ratio," Goldman's desk told clients. "As an extreme example, if NEM is down 10% on the back of the bid, then the terms imply a price of $24.66 (only ~10% premium to last), and this would be a lot harder for the board to recommend upon completion of the due-diligence period."

If the battle was getting clients to trade, then JPMorgan was the clear winner on day one. [It was joint winner on the investment banking side, called in to defend Newcrest alongside Gresham].

JPMorgan handled 25 per cent of Newcrest shares traded yesterday (worth $206 million) according to Bloomberg data, putting it ahead of UBS (12.4pc), Credit Suisse (8.1pc) and Morgan Stanley (7.8pc).

But the trading desk battle has a long way to run yet.

It looks to Street Talk as though hedge funds really were waiting to see how Newmont traded last night, before getting involved. Only 19.5 million Newcrest shares worth about 2 per cent of the share register changed hands.

The obvious trade would be to go long Newcrest and short Newmont, and repay the short when Newmont settled the scrip-based deal. It's all about timing – and making sure Barrick doesn't blow it up.

KKR calls on wealthy Aussies

It's KKR's turn to try to woo Australia's rich.

Street Talk spotted the American private markets giant rolling out London-based private equity co-CEO Tim Franks in Sydney yesterday, showing HNW-types and their gatekeepers a new private equity fund.

The KKR private equity fund (or K-PRIME) was pitched as a one-stop-shop to invest across KKR's global private equity portfolio, including its bread-and-butter buyout companies and newer, sexier growth plays.

The investments would be wrapped up in an evergreen fund structure, with no capital calls and monthly entries and exits for the HNW investors.

Potential backers were told to expect a fund that would, over time, invest in hundreds of deals across Asia Pacific, Europe and North America, managed by KKR's team of 280-plus PE investors. The goal was to hit 12 to 15 per cent a year in returns.

It's an ambitious pitch, and would put KKR in direct competition with its American PE rival Hamilton Lane and Swiss Partners Group, both of which have deep connections in the Aussie HNW land. However, KKR's pitch was understood be centred around a direct exposure from via a single fee layer and a clean structure.

KKR was understood to have hired Sydney's Channel Capital for K-PRIME's Australian push; KKR's Australian head of client and partner group Nic Hyde was leading the charge, while Channel had Andrew King front and centre.

The duo teed up meetings with Morgan Stanley's wealth unit for today, and were expected to do the rounds of major private banks and financial planning firms to firm up cornerstone interest, ahead of an April launch.

KKR's hitting the fundraising trail in Australia, while rival Blackstone takes its new green private credit fund, BGREEN III, for a spin around the town with Gresham's fund-raising arm.

Distressed debt juggernaut Oaktree Capital Management did a similar roadshow late last year.

Departures in GS special sits

Goldman Sachs has lost two senior bankers from its private credit/special situations unit, which writes cheques for the spicier end of capital markets.

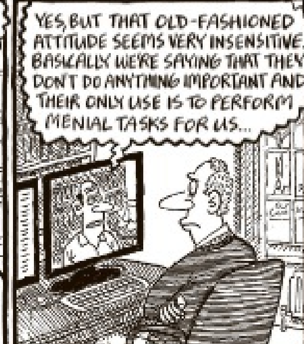
Street Talk can reveal long-time GS banker David Gribble is retiring, while Brendan Ames is leaving the American bank as part of a sea change.

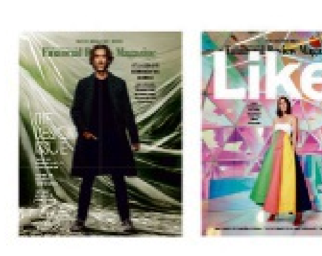
Gribble and Simon Rothery (who is now the CEO) turned the special situations unit into an undercover profit engine for Goldman Sachs Australia, taking positions in everything from property to loan books. It was rebadged as Goldman Sachs Asset Management about three years ago.

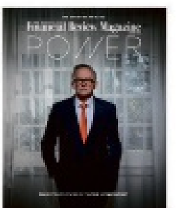
Gribble joined the bank's partner ranks in 2018. More recently, he's been based out of Hong Kong and tasked with heading both Goldman Sachs' private credit division for Asia Pacific and its asset management business in Australia and New Zealand, while it made a tilt for investor dollars flowing into non-vanilla asset classes.

Also leaving the special situations team is Ames, who joined the firm as a graduate and worked closely with Gribble. Ames moved up to the coveted managing director title in November 2019.

The latest staff ructions are not the first time Street Talk's spotted a stealth departure at the banking giant's Australia office this year. Its equities co-head Ben Clifford recently left just prior to bonus season, although sources told this column he was expected to turn up on the buy-side.







The Australian Financial Review Magazine
LAST FRIDAY OF THE MONTH
Inside The Australian Financial Review newspaper

Bain upgrades Virgin valuation ahead of IPO

Lucas Baird

Virgin Australia has issued its management team nearly 2 million shares at $2.10 a piece, as its private equity owner Bain Capital quietly increases its internal valuation of the rejuvenated carrier ahead of a re-listing on the ASX.

The price of the share issuance on Friday is more than double the value of the equity that has previously been extended to the management team and is the first time the company has put an updated figure on its shares since it announced plans for an initial public offering and posted record December half revenue.

Virgin Australia turned over near $2.5 billion in the six months to December 31, chief Jayne Hrdlicka told staff last week, with earnings expected to land around $125 million over that period too.

"This is the first time in many years that Virgin Australia has made a profit," Ms Hrdlicka said. "The results reflect the progress we have made in rebuilding the financial resilience that is so important to Virgin Australia's long-term success, but also underscore the fact that there is still more to do."

Previously, shares in the management equity plan were issued at $1 a piece.

Bain Capital bought the airline out of administration for $3.5 billion in 2020, with equity stakes taken by Richard Branson's Virgin Group and Queensland government implying a market value of $1 billion shortly after.

But the issuing of the new shares shows the private equity firm is upgrading its valuation of the airline significantly, although their value applies just to the management equity plan class of security.

The new shares were issued due to several management changes.

Virgin chief financial officer David Marr will move to the newly created job of chief development officer to focus specifically on the float, while former A2 Milk and Jetstar CFO Race Strauss will replace him from March.

Ex-Macquarie chairman Peter Warne and former Goldman Sachs managing director Pippa Downes have joined the Virgin Australia board. Mr Warne is seen as a frontrunner to be chairman of the re-listed airline.

Both new directors will have to navigate thorny conflict of interest issues at superannuation funds where they are also employed. Mr Warne is the chairman of UniSuper's investment committee, while Ms Downes is a member of AustralianSuper's investment committee. They would recuse themselves from any discussions about the airline if these talks made it to their powerful investment committees, though a recusal may be unnecessary if the decision whether to invest in the IPO is finalised at lower levels.

Bain Capital fired the starter's pistol on the Virgin float process in January, saying it would seek advice from investment banks on an IPO and setting up an internal team to work exclusively on the float pitch.

It comes as the share price of main rival Qantas is up 42.5 per cent to $6.50 in the past six months, as travel roars back quicker than expected after lockdowns largely ended.

Bain is expected to retain a major stake in Virgin when it does list.

It took six years to re-float its last big ASX venture, MYOB, in which it initially held a 56 per cent stake then slowly ratcheted down over the following four years.

Virgin chief financial officer David Marr, Ex-Macquarie chairman Peter Warne and former Goldman Sachs MD Pippa Downes . PHOTOS: EDWINA PICKLES, LOUIE DOUVIS

Nick Scali Furniture chief executive Anthony Scali says buyers didn't hold back in January. PHOTO: LOUIE DOUVIS

Nick Scali boss says sofa buyers aren't just lounging around

Simon Evans

The chief executive of sofa and furniture group Nick Scali Furniture said January trading was stronger than the company expected, despite investors worrying that a downturn in consumer spending was just around the corner.

Nick Scali shares closed 13 per cent lower yesterday at $10.80, amid concerns from analysts that spending on big-ticket items would be curtailed. The stock was trading at $7.10 in mid-June but had recovered to $12.42 by February 3.

Chief executive Anthony Scali said yesterday that he was still cautious – as the cumulative effects of interest rate rises flowed through, and the Reserve Bank looked likely to lift rates again this week – but the year had started strongly. "I'm just cautious in the sense that it could come off," he said.

But trading in the group's stores was surprisingly strong in January. "It was pretty good," Mr Scali said.

"It is surprising, because we are highly discretionary."

Citi analyst Sam Teeger said customer orders in January for future delivery of Nick Scali brand sofas were down 12 per cent on the same time a year ago, a sign of slowing demand.

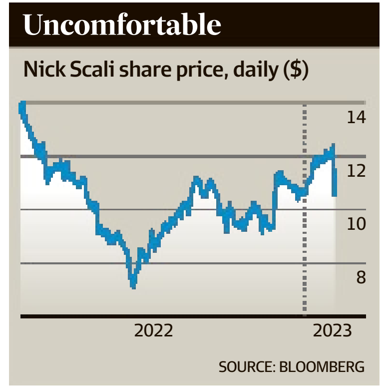
But he said the business was performing well on profit margins and keeping costs down. He has a 12-month price target of $15.83 on the stock. Wilsons analyst John Hynd has a 12-month price target of $16.

The company yesterday reported an 80 per cent increase in net profit after tax for the first half of 2022-23 to $60.6 million, and a 57 per cent increase in sales revenue to $284 million.

Nick Scali

Half year	2023	2022
Revenue ($m)	283.9	180.3
Pretax profit ($m)	86.4	48.3
Net profit ($m)	60.6	33.6
Interim dividend	40¢	35¢
Payable	March 28	

Uncomfortable



Shoppers returned to bricks-and-mortar stores after the previous half-year results were battered by COVID-19 restrictions and lockdowns, and disrupted supply chains. The company was forced to shut 55 per cent of its retail stores between July and October in 2021.

Nick Scali lifted its first half dividend to 40¢ a share from 35¢. The first half results were also pushed along by the Plush sofa chain acquisition in November 2021 for $101 million. It has extracted $20 million in synergies from the Plush integration.

Mr Scali said the company wasn't providing any profit guidance for the second half because much would depend on trading conditions from February to April. With some economists tipping three more interest rate increases by May, there was rising caution, but thus far consumers were still spending on large discretionary items such as sofas.

"I think that with the unemployment rate so low, and with some wages growth, they are still spending," he said.

Mr Scali said even though there had been a rapid rise in rates, they were still at reasonable levels on historical averages, and so perhaps consumers had taken higher borrowing costs in their stride so far.

The company started dropping prices on many items last month as transport and supply chain costs began to fall. Nick Scali sources almost half of its products from Vietnam.

Mr Scali said shipping costs had dropped markedly from about $US8000 ($11,500) a container a year or so ago to about $US800 now. He said inflation in the supply chain meant the company had lifted prices by up to 20 per cent during the peak of disruptions, but it had started to trim them back.

"You can't be too greedy," he added.

Mr Scali said customers were evenly split on the choice between leather and fabric sofas. "It's about 50-50," he said. Blue was becoming more popular, but grey was still a common choice.

Receivers call time as BNPL company Openpay closes

Ayesha de Kretser

The big banks are expected to tighten the screws on lending to the buy now, pay later sector after Openpay closed for business and receivers were appointed to determine who will get paid back their money.

Openpay becomes the first ASX-listed BNPL player to collapse.

Its shares last changed hands at 20¢ prior to suspension, after having hit $4.70 in August 2020 at the height of market hysteria over the sector.

Receivers from McGrathNicol have put a stop to all new business as they work out how to repay creditors.

Openpay had targeted higher-valued transactions in segments such as home improvement, automotive and healthcare. It lists merchants from a diverse range of retailers including Bunnings Home Improvements, Beaurepaires, Repco, Bupa Dental, Berlei, National Tiles and Kogan on its website.

The company's demise sent peers Zip and Sezzle lower in early trading yesterday.

Investors are wondering if other players in the sector can achieve profitability in the higher interest rate environment.

Openpay entered a trading halt last Wednesday admitting it was in talks with financiers about its funding arrangements.

On Friday, it said it had not received "funding amounts sought under a utilisation notice served under the company's working capital facility with A H Meydan Pty Ltd".

Openpay director Yaniv Meydan stepped down yesterday as the company said it had appointed McGrathNicol to determine who would be paid.

In a statement to the ASX, the receivers said customers would need to keep paying their invoices, while McGrathNicol works "closely with Openpay's employees, merchants and customers to urgently determine the appropriate strategy for the business".

The receivers did not say whether merchants have been fully paid for transactions over the Openpay platform.

The buy now, pay later model works by advancing payments to merchants for a flat fee, while allowing customers to pay in instalments over time.

In November, the company said it had secured a $110 million receivables facility from private credit firm GCI Funds and Fortress Investment Group, a US investment firm owned by Japan's Softbank.

In September last year, Softbank was reported to have been selling Fortress to an Abu Dhabi sovereign wealth fund Mubadala Investment Company.

Openpay separately held a $10 million working capital facility from AH Meydan that in September last year was extended until October, and a $30 million corporate debt facility from OP Fiduciary Pty Ltd that was at the same time extended until July this year.

"This shows the frailty of the fintech model," said Grant Halverson, chief executive of payments consultancy McLean Roche.

"You can't run these businesses when interest rates go up.

"All these businesses run at a cashflow loss, the only reason they've been surviving – from Zip down – is by burning investor cash."

Openpay's demise could trigger a closer look from the big banks like National Australia Bank, which currently funds warehouses for Zip and other fintech lenders, Mr Halverson said.

But while the banks are secured as senior creditors, there is a much bigger "risk for merchants and staff of getting nothing given securitised lenders almost equal the company – there's nothing left in the event of any collapses," he said.

From page 1

$24b Newcrest bid 'not enough'

Argo senior investment officer Andy Foster said he had not formed a firm view on the price offered by Newmont, but added: "It doesn't seem like a massive control premium."

Mines in North America, South America, Africa and Australia have made Newmont the world's biggest gold miner by both market capitalisation and gold volumes.

The Australian-born president of Newmont, Tom Palmer, told a conference in June that more consolidation would be needed to ensure gold miners could manage the twin challenges of rising sustainability standards and orebodies that are harder to mine than those exploited in the past. "We believe a combination of Newmont and Newcrest presents a powerful value proposition to our respective shareholders, workforce and the communities in which we operate," he said yesterday.

"The proposed transaction would join industry-leading portfolios of assets and projects to create long-term value across the combined global business, and we welcome the consideration of Newcrest's board of directors."

If the deal were formalised, it would extend Newmont's scale advantage over rival Barrick Gold and extend five years of deal-making turbocharged by competitive tensions between Barrick and Newmont.

Newmont's Boddington mine south of Perth beat Newcrest's Cadia mine in NSW to the rank of Australia's biggest gold producer last financial year, according to specialist gold consultancy Surbiton Associates.

Newmont's Tanami mine in the Northern Territory was third, but Newcrest's Lihir mine in PNG would have placed second if it were considered an Australian asset, and in many years Lihir produces more gold than all other Australian mines.

Acquisition of Newcrest would also give Newmont the marginal Telfer mine in Western Australia, which is being revived by discovery of the Havieron gold deposit nearby and the Wafi-Golpu growth option in PNG.

Newcrest said any deal with Newmont would be likely to require clearance from FIRB. The Australian Competition and Consumer Commission said it was unable to comment on "whether the proposed transaction is likely to raise any competition concerns at this early stage".

Surbiton Associates director Sandra Close said "overseas control" of the Australian gold sector peaked at 70 per cent in 2002 when Newmont acquired Normandy Mining but was now closer to 42 per cent. Dr Close, author of books *The Great Gold Renaissance* and *Australia's Greatest Gold Boom*, said she would prefer Newcrest to remain a local company.

"If it happens I would be sad on the basis that I would like to see a reasonable Aussie presence," she said. "I also find it sad that Australian investors don't see the value in our local sector that foreign investors do."

Newcrest shares more than halved between mid-2019 and mid-2022 as gold prices fell, the company's ageing mines started to deliver declining gold volumes and former chief executive Sandeep Biswas used scrip to fund the purchase of growth assets.

Mr Biswas ended his 8½-year stint as chief executive in December. Former Woodside chief financial officer Sherry Duhe has been serving as the interim CEO while Newcrest hunts for a permanent leader.

Though Mr Biswas left Newcrest packed with growth options, the company will need to spend billions to develop them in the decade ahead, particularly at Canada's Red Chris.

Barrenjoey analyst Dan Morgan estimates Newcrest capital spending on growth projects will total $US8.5 billion over the next five years. He forecasts the heavy spend on growth will leave Newcrest with negative cash flow of $US770 million over the next three years combined.

He said the fact many of Newcrest's assets were not yet generating profits was the reason it traded at a discount to many Australian gold peers and a break-up of the group's assets might make more sense.

RBC analyst Alex Barkley said the deal value was "reasonable" and would give Newcrest shareholders immediate reward for a long-term business strategy.

"It would allow NCM [Newcrest] owners to somewhat sidestep near-term operational risks and the longer-term risks from delivering multiple technically complex projects," he said, referring to the looming growth spend Newcrest faces.

Mr Mawhinney said the long-life nature of Newcrest's portfolio was undervalued by the market.

"Newcrest is a bit depressed for a number of reasons, they have a caretaker CEO and they are in this operational period with Lihir where they are mining low-grade ore and the share price has fallen together with those," he said.

"I think that is one of the reasons Newmont has stepped in.

"We think it [Newcrest] is a poorly understood company with great potential and very long-life assets, and it is not something we would like to see taken over for anything but a fair price."

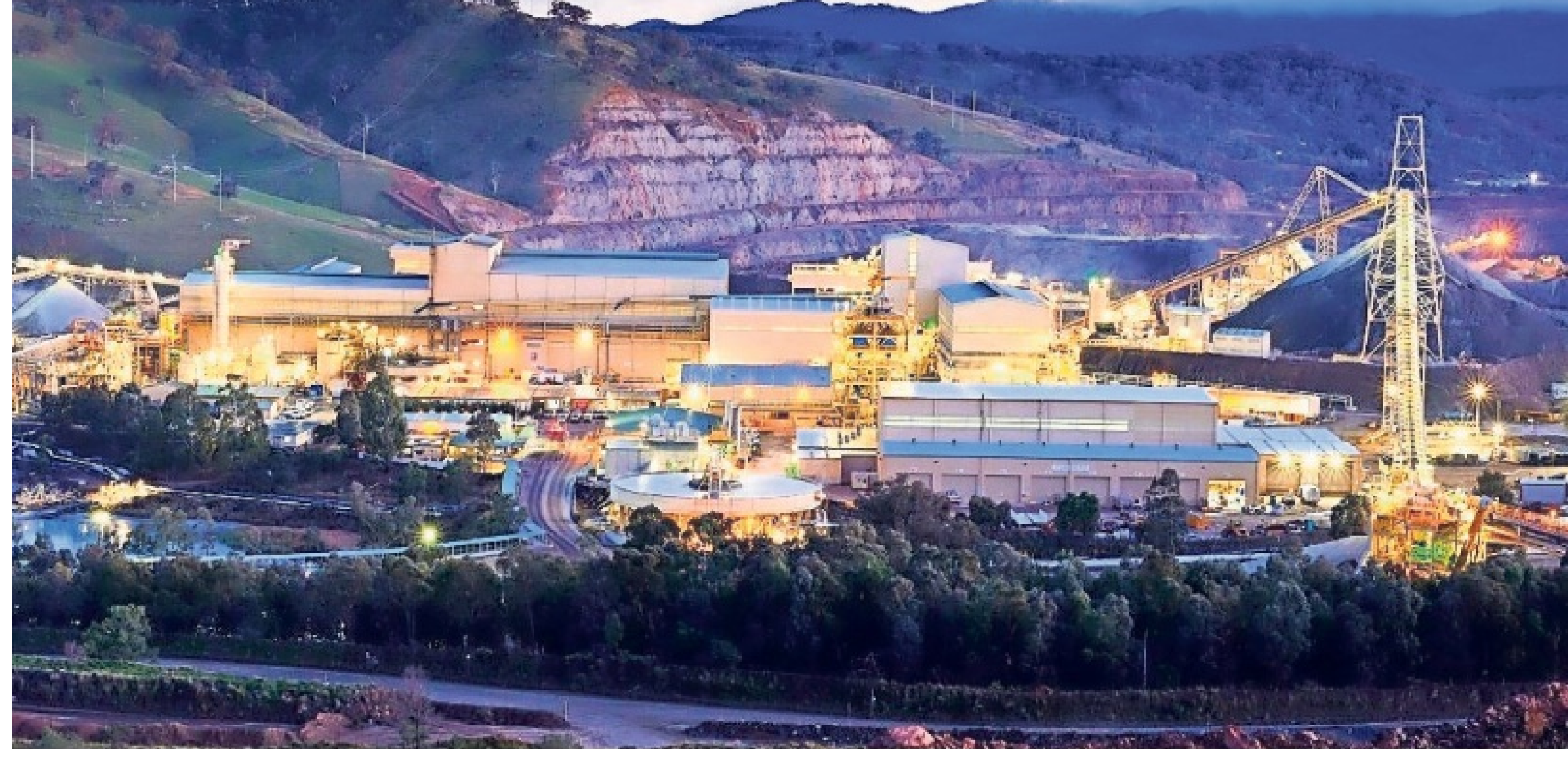
Gold mines often produce copper as a by-product and Mr Palmer has spoken in the past two years of a desire to grow Newmont's exposure to copper in expectation that global demand will exceed supply as the world decarbonises and electrifies.

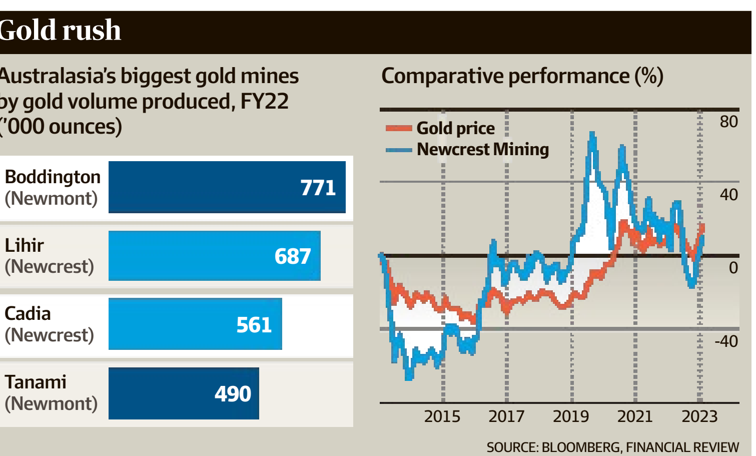
Newcrest has strong exposure to copper; the Cadia mine in NSW would be viable based on its copper production alone, meaning its gold has a negative unit cost.

Newcrest's growth assets also have significant exposure to copper, particularly the long-stalled Wafi-Golpu project. Red Chris in Canada and Ecuador's SolGold.

Mr Tomsett made a veiled reference to Newmont's lust for copper at Newcrest's annual shareholder meeting in November.

"While the company's peers race to add future-focused minerals like copper to their books, Newcrest has both a meaningful exposure to copper today and plans to grow copper production in the years to come," he said.





Newcrest's Cadia mine in NSW, above, was beaten to the rank of Australia's biggest gold producer by Newmont's Boddington mine south of Perth last financial year.

FINANCIAL REVIEW

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Upcoming events

WORKFORCE SUMMIT REGISTRATION OPEN
Wednesday February 22, 2023 | Hilton Sydney, NSW

BUSINESS SUMMIT REGISTRATION OPEN
March 7 & 8, 2023 | Hilton Sydney, NSW

BANKING SUMMIT REGISTRATION OPEN
Tuesday March 28, 2023 | Hilton Sydney, NSW

ALPHA LIVE
Thursday April 27, 2023 | Sheraton Grand Sydney, NSW

MINING SUMMIT
Wednesday May 24, 2023 | Crown Perth, WA

ESG SUMMIT
Monday June 5, 2023 | Hilton Sydney, NSW

ENTREPRENEUR SUMMIT
Tuesday June 20, 2023 | The Fullerton Hotel Sydney, NSW

GOVERNMENT SERVICES SUMMIT
July, 2023 | Canberra, ACT

YOUNG EXECUTIVE SUMMIT
August, 2023 | Sydney, NSW

HIGHER EDUCATION SUMMIT
Tuesday August 22, 2023 | Sofitel Melbourne, VIC

CYBER SUMMIT
Tuesday September 5, 2023 | Hilton Sydney, NSW

PROPERTY SUMMIT
September 11 & 12, 2023 | Hilton Sydney, NSW

ENERGY & CLIMATE SUMMIT
October 16 & 17, 2023 | Sofitel Wentworth Sydney, NSW

CREATIVE INDUSTRIES SUMMIT
October, 2023 | Sydney, NSW

CRYPTOCURRENCY SUMMIT
October, 2023 | Sydney, NSW

INFRASTRUCTURE SUMMIT
November 13 & 14, 2023 | Sofitel Wentworth Sydney, NSW

SUPER & WEALTH SUMMIT
Tuesday November 21, 2023 | Grand Hyatt Melbourne, VIC

CFO LIVE
November, 2023 | Melbourne, VIC

BUSINESSPERSON OF THE YEAR
December, 2023 | Sydney, NSW

Skyscrapers to data centres, condos in office rethink

Jenny Wiggins

WSP Global is rethinking how cities are built and designed as the Canadian engineering group slashes its own office space and converts skyscrapers in big cities to data centres and condos, global boss Alexandre L'Heureux says.

While the CBD will continue to exist following the pandemic, Montreal-headquartered WSP is being hired to find new uses for office buildings, Mr L'Heureux told *The Australian Financial Review* on his first visit to Australia since the outbreak of COVID-19.

"Instead of tearing them down, what owners are doing are repurposing," he said.

While commercial real estate had been "quiet" in terms of new buildings, WSP's property division continues to increase revenues, partially due to demand from clients to make infrastructure more sustainable, Mr L'Heureux said.

WSP, which is listed on the Toronto Stock Exchange, is also expanding rapidly through acquisitions, buying six companies in 2021 including environmental consulting group Golder. It made eight more acquisitions in 2022, including Wesfarmers subsidiary Greencap, which specialises in remediation services, and the John Wood Group's environment and infrastructure business.This year WSP closed its purchase of local structural engineering group Enstruct.

The rapid acquisitions have enabled the group to diversify away from its previous core businesses – transportation/infrastructure and property/buildings – with its earth/environment division now contributing almost a quarter of group revenues. Its stock is trading at around $C172 – close to all-time highs.

Like many companies, WSP – which employs around 67,000 people globally including 7500 in Australia – is shrinking its own offices, with the amount of space used expected to drop by 20 per cent over the next few years as people continue to work flexible hours.

While Mr L'Heureux is amenable to staff working three days per week in the office, he wonders if quality of design by all engineering companies during the pandemic (when in-person collaboration was limited) will hold up over the long term. "The big question is, are we going to have a lot of flaws in [the industry's] designs five, six, seven years from now?"

But the structural changes in lifestyle created by the pandemic could create more jobs for WSP as governments pay more attention to how suburbs connect to city centres, Mr L'Heureux said.

"It's an incredible opportunity . . . to rethink the way cities are being designed. The gap between infrastructure needs and infrastructure spend is widening every year."

Global WSP boss Alexandre L'Heureux said the Montreal-based engineering group sees plenty of work in redesigning cities. PHOTO: PETER RAE

Future infrastructure needs include hospitals, pharmaceutical facilities such as testing laboratories, data centres, defence bases and schools, where Canada is starting to monitor the quality of air breathed in by students. "Before COVID nobody was talking about that . . . but now it's a big thing," he said.

WSP is also benefitting from strong demand for sustainable buildings and plans to halve the amount of carbon associated with its designs by 2030, such as by electrifying all the power for Adelaide's new Women's and Children's Hospital, said Guy Templeton, the chief executive of WSP's Asia Pacific business.

The Canadian group is retrofitting existing buildings, including adding more insulation and cutting back on use of concrete in favour of more sustainable materials like timber.

Tenants will pay more for sustainable buildings, Mr Templeton said, noting that while civil infrastructure projects had been slower than property developments to shift to sustainable materials, they are moving faster as states commit to cutting emissions.

WSP is still taking on fixed-price contracts, despite the collapses of some companies – such as engineering group Clough – squeezed by soaring costs.

"There's just been a series of events around contractors where cost escalation on inputs on fixed price contracts has manifested and the whole industry is very aware of that," Mr Templeton said, adding that the pressures should ease over time. "We often see construction contracts do well once you've passed the peak because then they will eventually be bidding at the higher prices and may get some softening."

Still, WSP is securing more "alliance-style" contracts – which allow companies to share risks with project proponents – including in Canada, where it is taking on its first alliance contract to build Toronto's Union Station.

Mr L'Heureux said he was concerned about the global economic outlook, noting international staff turnover was declining, indicating more workers want to stick with jobs amid fears of a global recession. He is keeping a particularly close eye on the UK, although WSP hasn't yet seen any projects being delayed or cancelled.

MinRes hands Hancock victory in Warrego fight

Angela Macdonald-Smith

A surprise move by Chris Ellison's Mineral Resources to sell shares in Warrego Energy into Hancock Energy's cash takeover offer just three weeks after buying them at a higher price has handed majority control of the in-demand West Australian gas junior to Gina Rinehart's Hancock Energy.

The decision by MinRes helped take Hancock's interest in Warrego to 50.54 per cent, marking a milestone in the drawn-out $438 million takeover battle for Warrego against the target's joint venture partner, Strike Energy.

MinRes, which provides mining services to Hancock Prospecting, declared in a filing to the Australian Securities Exchange on January 17 that it had acquired shares in Warrego on the market in three tranches that worked out at an average price of between 38.5¢ and 39.24¢ apiece.

It previously had bought a larger tranche of shares at 35¢, taking the average price across all the holding to below 36¢.

Mineral Resources declined to comment yesterday, and Hancock Energy director Stuart Johnston said he had no explanation for the company's decision.

"There's been no conversation," Mr Johnston told *The Australian Financial Review*. "Before, during or after, I haven't spoken to anyone at MinRes."

Credit Suisse energy analyst Saul Kavonic said Strike now needed to decide its next move, noting that if it also sold into Hancock's offer it would realise about $110 million in cash. Or, Strike could remain on the Warrego register, "which may frustrate Hancock's ability to take full control and consolidate," he told clients in a note.

Strike managing director Stuart Nicholls said the company was considering its options, noting that Strike's offer remained open until February 13.

"Strike continues to see its offer as the most superior proposal given it has ongoing exposure to the highly coveted assets of the North Perth Basin," Mr Nicholls told the *Financial Review*.

Gina Rinehart's Hancock Energy wants to use gas from the Perth Basin to power mining operations. PHOTO: GETTY

"We do see our holding in Warrego as strategic in nature, and we are reviewing our available options at this period of time."

The increase in Hancock's interest above the 40 per cent mark also confirms the level of the offer at 36¢ per share rather than the 28¢ that applied if its interest in Warrego remained below that level.

In a further supplementary bidder's statement released yesterday, Hancock advised Warrego shareholders that Strike's scrip offer, of one of its shares for each Warrego share, "likely delivers an inferior outcome to Warrego shareholders in all cases".

It said it expected the share prices of Strike and Warrego "to continue to decline below $0.36", particularly after its offer closed. It reminded Warrego shareholders that in early November, before Hancock's offer, the market valued had Strike at about 25¢ per share, and Warrego at about $15¢.

Yesterday, shares in Warrego moved to reflect the greater certainty around the 36¢-a-share price, gaining 1.4 per cent to 35.5¢.

Shares in Strike, which held voting power of 24.91 per cent of Warrego as per its latest filing last Friday, also edged up 1.4 per cent to 36¢ amid continuing market speculation that Hancock could turn its attention to Strike after it wraps up the Warrego deal.

But Mr Johnston was cool on any prospects of Hancock turning its attention to Strike.

"Hancock has formed no intention with respect to Strike," he said. "And we believe Strike's share price is unrealistically inflated due to the activity on Warrego."

The takeover battle for Warrego, which owns 50 per cent of the West Erregulla gas field in the Perth Basin, alongside Strike, kicked off in November when Strike proposed a takeover offer that was first countered by Beach Energy before Hancock entered the fray.

At the heart of the tussle is a promising gas resource north of Perth in a region with existing gas processing and pipeline infrastructure. Hancock has said it wants to use gas from the Perth Basin to power its mining operations.

Mr Johnston encouraged the remaining Warrego shareholders that have not accepted either offer to sell into Hancock's offer, saying those keen to secure Strike shares could invest directly in that company.

Mineral Resources advised in mid-January it had built up a share of 19.17 per cent in Warrego, a stake it described as "strategic", and ruled out making a takeover bid.

Securing control of Warrego means an automatic two-week extension in Hancock's offer to February 24.

Oil and gas producer Beach Energy faces LNG delays at Waitsia

Colin Packham

Beach Energy is unlikely to produce liquefied natural gas from its Waitsia gas project before 2024, as the oil and gas company said the cost of the development will increase by $50 million following the collapse of Clough.

Beach Energy – which yesterday confirmed a deal with Webuild after the Italian developer acquired Clough's Asia Pacific projects for around $39 million – had been due to start producing gas for processing into LNG in the second half of this year.

But the company yesterday said it now expected first gas by the end of 2023, threatening Beach Energy's original timetable. Beach did not provide any guidance on when it expects to produce LNG, but analysts said it would lead to inevitable LNG delays.

"The schedule was slightly later with first gas... at the December quarter of 2023 at the earliest. We had some volumes in the half but have deferred the ramp-up completely to early calendar year 2024 given we still have lingering concern around schedule in a difficult environment for project execution, Citi said.

Beach also confirmed higher costs from the project. It now expects the Waitsia gas development to cost between $400 million and $450 million, having previously forecast the build at between $350 million and $400 million. The revised schedule will temper fears of prolonged delays and cost blowouts. Shares rose more than 3 per cent on the relief.

Beach Energy's chief executive officer, Morne Engelbrecht, hailed the deal with Webuild.

"This marks an important step towards completion of the Waitsia Stage 2 project and is a key milestone in providing renewed momentum, stability and continuity to the project," said Mr Engelbrecht.

"We look forward to working with Webuild and Mitsui to complete the project and commencing supply of LNG, while continuing to meet our domestic gas commitments with gas targeted by the end of 2023."

The delays are ill-timed for Australia amid forecasts for gas shortages across the east coast this year, though Beach has been beset by its own supply issues.

Beach late last year slashed estimated gas reserves at its LNG export basin near Perth by 11 per cent after the Waitsia Stage 2 drilling campaign.

The company – 30 per cent owned by billionaire Kerry Stokes – said the reduction in total proven and provable (2P) reserves by 10.6 million barrels of oil equivalent (mmboe) was due to "increased structural complexity in the Waitsia field and poor reservoir quality in the High Cliff reservoir at Waitsia".

Reduced supplies were a key catalyst in Beach posting lower-than-expected quarterly sales figures. The Adelaide-based firm produced 4.8 million barrels of oil equivalent, down 8 per cent compared to the previous quarter and lower than market consensus of 5.2mmboe.

Beach said gas output was hit by "planned and unplanned plant downtime and lower customer gas nominations", while five Western Flank oil well connections were delayed to the second half of financial year 2023 due to "weather and supply chain challenges". Sales revenue of $408 million also fell short of most analyst expectations of $499 million.

Banks dividends likely to weather downturn: Argo

Simon Evans

Australia's big four banks are still likely to pay out strong dividends even in an economic downturn, and Commonwealth Bank's share price deserves to trade way above its rivals, says the boss of $7 billion listed investment group Argo.

Managing director Jason Beddow also says big oil and gas stocks such as Santos and Woodside Energy should be able to offer strong returns to shareholders over the next 10 to 20 years because policymakers are throttling new investment, which means existing companies will be highly profitable in a lengthy energy transition.

Argo, which has 96,100 shareholders relying heavily on dividends paid out by an investment company once chaired by cricketing great Sir Donald Bradman, announced a 6.2 per cent rise in first half net profit to $137 million. It lifted its interim dividend to a record high of 16.5¢ from 16¢ a year ago.

Shares of Commonwealth Bank are trading near a record high of $110, which Mr Beddow said on normal valuation levels was clearly overpriced. "We would say yes," he said, before adding that the lender was superior to National Australia Bank, Westpac and ANZ, and deserved to trade on a much higher multiple.

Argo expects the Reserve Bank of Australia to lift interest rates this month and next by a quarter of a percentage point each time, as a strong employment market means the central bank has to go harder than it probably wants to control inflation.

"You get the sense the RBA is begrudgingly putting rates up," Mr Beddow said.

Rising interest rate cycles are historically good for bank profits because their margins get fatter, although extra attention from the federal government and the Australian Competition and Consumer Commission on banks and the generally meagre deposit rates being offered to customers could put pressure on that theory.

It is simply too hard to predict where the Australian economy is headed, Mr Beddow said. "There is no clear line of sight for the next six to 12 months."

But even if there was an economic downturn and the jobless rate started rising, the big four banks were in good shape, would not have to go to the market to raise capital, and were likely to still pay out solid dividends, he said.

Rising interest rate cycles are historically good for banks because their profit margins get fatter. PHOTO: PAUL ROVERE

Argo

Half year	2023	2022
Revenue ($m)	151.6	141.4
Pretax profit ($m)	146.4	136.5
Net profit ($m)	137	129
Interim dividend	16.5¢	16¢
Payable	March 10	

"Their balance sheets are excellent. I'm pretty confident they'll be able to maintain their dividends under most scenarios," he said.

But share price gains among the banks over the next few months were unlikely, he added.

In the past six months, Argo has added to its holdings in Santos, Macquarie Group, coal producer Stanmore, IDP Education and Superloop.

On energy, Mr Beddow said the tough intervention measures put in place by the federal government, and by other countries, meant that new projects would be difficult to progress, and new supply would not come on. "We think there's going to be under-investment," he said.

"We're still relatively bullish on gas demand for the next 10 to 20 years," he added.

The transition to a cleaner energy economy will probably take longer than policymakers expect, and companies with existing gas assets which are well-managed, should be able to deliver strong returns.

Argo also believes that while both BHP and Rio Tinto should be strong performers over the next few years, it is hard to see the shares rally much more from current levels. Even so, the investment company stands ready to top up its holdings in both miners should there be a short-term sell-off.

Argo trimmed back its holding in liquor store retailer Endeavour Group, the owner of Dan Murphy's and BWS, during the half and made an exit from its stake in packaging company Pact Group. "Pact was disappointing. It was too small and had no pricing power", Mr Beddow said.

From page 13

Adamantem swoops on juicy burger deal

group of customers," she said. "I look forward to continuing on the board of Retail Zoo to share my retail and general business expertise to help guide Boost, Betty's and the other brands forward in their next phase of growth."

Retail Zoo operates about 750 company-owned and franchised stores worldwide under the Boost, Betty's Burgers, Salsa's Fresh Mex and CIBO Espresso brands.

Bain Capital – which is mulling a possible ASX listing of Virgin Airlines – bought a major stake in Retail Zoo in 2014, when it operated just under 300 stores in Australia, for about $185 million from The Riverside Company, another US PE firm. Riverside bought a 65 per cent stake for an estimated $65 million in 2010.

Bain tried to sell or float the business at various points over late 2019 and 2022 for about $400 million, but pulled the float to await improved capital market conditions and business performance.

Adamantem managing director Georgina Varley said the firm backed current management and was keen on the business due to its strong platform in the food retail sector and the strength of its franchisee partners.

"We see this as a fantastic platform for growth. The business has been growing really well, and we're really excited to be supporting the management team in their next phase of growth, which involves continuing to roll out new stores each year in both Boost and Betty's in Australia and offshore," she told *The Australian Financial Review*. She said additional brands could easily be added over the investment period.

Ms Varley said Adamantem was a responsible investment fund manager, and considers three key areas of sustainability, participation and transparency when buying a business. A typical

Retail Zoo CEO Nishad Alani. PHOTO: LOUISE KENNERLEY

priority focus within the first six months of owning a business is measuring the greenhouse gas emissions.

"Then there is an opportunity on a sustainable packaging front for businesses already on its sustainable packaging journey. Another area of opportunity is in waste management," she said.

Retail Zoo boss Nishad Alani said the business was well on track to hit double-digit sales, revenue and profit growth this year, after a bumper December.

Last financial year, net profit climbed to $14.6 million in the 12 months to June 30, up from $14.1 million in 2021, according to accounts filed by Retail Zoo Holding Company Ltd. Profits had slumped to just $2.8 million in 2020 due to forced store closures and brand impairments and costs associated with a proposed initial public offering.

Sales from company-owned stores, royalties, franchisees fees and supplier rebates rose 24.3 per cent to $178.2 million. Total network sales reached $455 million, with Betty's Burgers the standout after revenue jumped 36.4 per cent. Betty's has 54 shops in Australia, having opened four stores in December. There were just eight Betty's shops five years ago. Mr Alani said sales at Betty's in December surged 20 per cent, and the momentum continued strongly into January.

The Boost Juice brand is the largest player in the Australian juice and smoothie bar category, and is supported by almost 2 million loyalty members.

"We feel like we're in a really good place, and we think the strong sales will continue despite the uncertainties in the macroeconomic situation," Mr Alani said.

He plans to open 20 to 30 new Boost stores a year overseas. Retail Zoo operates in 14 countries, and recently opened in Cambodia and the United Arab Emirates.

"The Boost brand will resonate the South-East Asia," he said. "We still have our eyes open towards north Asia, Japan, Korea, but we haven't specific plans to go into those markets just yet."

Mr Alani said Betty's also had "tremendous opportunity internationally" but, for now, was focused on the vast Australian market.

Adamantem manages about $1.6 billion of assets across both private equity and public market strategies with investments in a range of companies, including horse feed business Hygain, processed meat producer Hellers, hair products group Nak Hair and aged care group Heritage Lifecare.

Retail Zoo is the fifth investment in the Sydney-based buyout firm's $800 million second fund.

Investment banks Goldman Sachs and UBS acted as joint lead managers to the vendor Bain, which declined to comment. Adamantem was advised by Morgan Stanley, Allens, EY, Skye Capital and L.E.K. Consulting.

From page 13

East Timor in fresh play for Sunrise plant

In December, chief executive Meg O'Neill surprised the market by saying the company would reassess its long-held view that piping gas from the field – which lies 150 kilometres from East Timor and 450 kilometres from Darwin – to the undeveloped south coast of East Timor was not viable.

Delivering on that commitment, the joint venture partners – which include Osaka Gas and Timor Gap – will use the study to seek revised cost estimates and understand how new technologies may be supplied in the project, which has been on the drawing board for more than 15 years.

The work will consider aspects around delivering the gas to East Timor, processing it there, and LNG sales, comparing all those aspects with the option of delivering and processing the gas in Australia. While the Sunrise joint venture at one stage selected floating LNG as the preferred option for development, that idea was abandoned several years ago.

The partners would also evaluate socio-economic impacts such as environmental, strategic and security benefits of the various options, and consider which option "provides the most meaningful benefit for the people of Timor-Leste", they said in a joint statement on Monday.

Ms O'Neill said the development of new technologies and growing demand for safe and reliable LNG meant the time was right for the study.

"It is important we continue to look at ways to develop the Greater Sunrise fields using the latest technologies by evaluating, for example, modular LNG, that did not exist in the past," she said.

"Against a backdrop of global geopolitical instability and constrained energy supply chains, there is an opportunity for the Sunrise Joint Venture to significantly advance this regionally important project."

Woodside Energy chief executive Meg O'Neill. PHOTO: DOMINIC LORRIMER

Osaka Gas' head in Australia, Yo Otsuka, said it was important to assess and compare the development concept for Sunrise from technical and commercial viewpoints, and to select the best option for the project's success.

East Timor has a 56.56 per cent stake in the Greater Sunrise field – after buying out Shell and ConocoPhillips. Woodside owns 33.44 per cent and Osaka Gas has the balance 10 per cent.

Discussions on how and when to tap into the resource wealth of Greater Sunrise, which some estimates say could be worth $US50 billion ($73 billion), were revived after a long-running maritime border dispute between the two nations was resolved with a treaty in 2018.

However, the production-sharing contract stipulated by that treaty is still to be finalised. East Timor believes the development could proceed in parallel with those negotiations.

The International Monetary Fund has warned East Timor faces a "fiscal cliff" if Greater Sunrise, which also includes 226 million barrels of condensate, or light oil, is not developed soon.

Dili has signalled it would reject any option that waters down its stake. Timor Gap, the state-owned company charged with developing East Timor's oil and gas resources, has indicated other parties are interested in Greater Sunrise, but it would not compromise any future revenues. East Timor is entitled to at least 70 per cent of Greater Sunrise royalties.

'More niche options' for non-bank lenders

James Eyers

Non-bank lenders will struggle to compete with major banks' access to cheap deposits as a funding source for chasing safe housing borrowers, according to the head of Perpetual Corporate Trust, the biggest trustee in securitisation markets.

This will force them to compete in more niche lending categories, including providing mortgages for small business loans and lending to self-managed super funds, says Richard McCarthy, the trust's group executive.

The failure of Nano, a fintech mortgage lender, points to the pressure on new competitors in mortgages, while the collapse of buy now, pay later laggard Openpay shows those without a securitisation track record in personal loans are also finding it tougher to raise funding in wholesale markets.

Non-bank housing lenders would be forced to target niche segments such as lending to SMSFs and SMEs along with the self-employed, Mr McCarthy said, as banks focused on borrowers with large deposits. This lets banks operate with lower levels of regulatory capital, boosting profits.

This means non-banks will struggle to win refinancing flow, as $350 billion of fixed rate mortgages reset over the coming months.

"Refinancing fixed loans is a really hotly competed area where the banks are primed to win, given their retail deposit cost of funds," he said. "But this enables non-banks to do what they have always done – which is look outside that, to see where to win."

Perpetual Corporate Trust will present a new report on the non-bank sector to 100 members of the Australian Securitisation Forum today, following a survey of sentiment among 31 executives and investors.

Non-bank lenders will need to fight harder for non-prime borrowers as interest rates rise. PHOTO: NATALIE BOOG

Investors will get a read on margin pressures among public-market players including Pepper, Resimac and Liberty in the upcoming interim results season, after all non-bank lenders delivered negative shareholder returns in 2022 on concerns around higher funding costs and credit quality as rates rise.

There is also an array of private non-bank lenders, including Firstmac, LaTrobe and Columbus Capital. Outside mortgages, non-banks include ASX-listed Latitude and Plenti, and private player Angle Finance, which are growing strongly in auto loans after major banks stepped away from the category.

Perpetual found only 4 per cent of mortgage borrowers with non-banks are on fixed rate loans (non-banks could not use the Reserve Bank of Australia's's term funding facility that provided banks with cheap funding during the pandemic).

It also found non-banks have increased the equity in loans at origination, with only 11 per cent of new loans being at a loan-to-value (LVR) ratio above 80 per cent, compared with one-third before the financial crisis.

But in a briefing last week, S&P Global Ratings Mortgage said arrears have started to rise for residential mortgage backed securities: prime RMBS arrears increased in October and non-conforming arrears have been increasing since July.

Mr McCarthy said non-bank arrears (those more than 90 days past due) were tracking at 0.37 percentage points of loans, the lowest in 15 years, which would help non-banks deal with rising bad debts. With the Reserve Bank expected to lift the cash rate again today, this level would inevitably rise.

As one non-bank lender told Perpetual for the report: "You certainly have to acknowledge that the easy, breezy days of doing deals are just not there, it's certainly a lot harder."

Nano suspended home loan applications in October as funding costs soared, scuppering its growth plan; last week, customers were shifted to AMP Bank, which took over the back book, *The Australian Financial Review* revealed.

Macquarie said in a report on Friday that the downside risks for non-banks, including tighter margins from higher funding costs, were reflected in current discounted valuations.

Still, "we expect non-bank lenders to underperform banks on margins given lack of deposit funding and persistent competitive pressures as banks continue to reinvest some of their margin tailwinds into mortgage pricing", the investment bank said.

S&P Global Ratings said in a market briefing last week that prepayment activity would ramp up across the prime RMBS sector as borrowers shopped around for better mortgage deals.

"New issuance activity is likely to tail off in the second half of the year, particularly for RMBS, as lending volumes decline, given the slowdown in property markets," S&P said.

ING under fire for dropping open banking consents in tech upgrade

James Eyers

Data recipients under the federal government's open banking regime have called on the competition regulator to stop ING Bank cancelling existing customer consents during an upcoming technology upgrade, alleging that this action may be a breach of consumer data right rules.

FDATA and Fintech Australia, lobby groups representing start-ups seeking to use banking data to offer customers better deals, say ING's planned upgrade this week will reduce "trust in the CDR regime at a time when adoption is critical". They say it would create a "dangerous precedent" for future upgrades at other banks, which are required to provide customers with access to data that can be shared with alternative service providers.

The government says the CDR is a core policy to lift banking competition. But the proposed action by ING will require customers who have already told the bank to provide their data to an accredited recipient to go through the process again. Users of the data fear some customers will fail to reauthorise the sharing, blocking the competitive services they are seeking to provide.

FDATA and FinTech Australia say their members have "serious concerns" about ING's conduct as it transitions to a new "consent solution" that will tomorrow invalidate existing "data sharing arrangements".

The withdrawal of valid consents from thousands of ING customers warrants enforcement action from the Australian Competition and Consumer Commission, which regulates the data sharing regime, the groups allege. They say communication about the change has been poor, with several data recipients hearing about the cancellations second hand. The groups believe ING should run two parallel systems until existing consents can transition to the new system.

ING is upgrading its data sharing technology, angering data users who say customers will have to provide consent all over again.
PHOTO: BLOOMBERG

"Maintaining backwards compatibility is just general good practice in these types of system changes. But this is not the path ING has taken, which sets a very dangerous precedent for CDR as an emerging ecosystem should this planned approach not be stopped immediately," the joint statement says.

Data recipients are also concerned they will bear the cost of reintegration and any damage to their business.

In a letter to FDATA members sent yesterday and obtained by *The Australian Financial Review*, its regional director Mathew Mytka called on the ACCC to "issue an immediate stop order to ING given the timeline of their plans".

"Australians are in the middle of one of the deepest cost of living crises in recent history," he said in a subsequent statement. "While many banks are doing the right thing, we do need to see a firm response from the regulator to ensure this does not set a precedent."

ING was fined $53,280 for four infringements relating to CDR data after the ACCC alleged it failed to meet obligations last year. Users of data say the fine, which is set by the legislation, was too low to force compliance.

An ING spokesperson said the bank was "committed to building a safe and secure open banking experience for our customers that has the potential to offer more functionality in the future" and it was working with data recipients to "make the process as seamless as possible".

But Rehan D'Almeida, general manager of FinTech Australia, said the move from ING "sets a dangerous precedent for the consumer data right rollout and endangers the benefits it is bringing to consumers".

"It's perplexing that ING, a bank with consistently high customer satisfaction ratings, would not prioritise the consumer data right," he said.

"This is a transformational reform and the banks have had years to establish the systems they will need to be compliant."

The Financial Review reported last week that users of the open banking regime say ING has been providing low-quality data under the regime.

Star casinos hit with third class action over shares fall

Elouise Fowler

Star Entertainment will fight a third class action in the Victorian Supreme Court with solicitors from Phi Finney McDonald filing a claim on behalf of shareholders against the casino giant.

It follows class action firms Slater & Gordon and Maurice Blackburn, which filed separate yet similar class actions last year that alleged the company misled the market, breached continuous obligation laws and wiped billions of dollars from the company's value.

Phi Finney McDonald claims are similar, relating to representations made by the company between March 29 and June 13, 2016, that the firm alleges were misleading or deceptive.

The claim alleges that during that period the Star made misleading representations, including about its systems and processes for compliance with anti-money laundering and counter-terrorism financing obligations.

The claims also state Star failed to disclose relevant information it had about those matters to the market, and conducted its affairs contrary to the interests of the members of The Star.

Star said in a statement to the ASX it intends to defend the proceeding.

The Star added the claim was "substantially similar" to the separate securities class actions filed by Slater & Gordon announced on March 30 and Maurice Blackburn announced on November 7 last year

The Maurice Blackburn statement of claim highlights, in particular, the fall in Star's share price from $4.58 on October 6, 2021 – the day before a series of reports in *The Sydney Morning Herald*, *The Age* and *60 Minutes* alleged the company had ignored and downplayed money laundering risks – to $3.21 just six days later.

All three class action law firms are seeking orders that force Star to pay compensation to class action members.

Last year, a NSW inquiry found Star unfit to run the Sydney casino because it had allowed itself to be infiltrated by organised crime gangs, side-stepped regulatory rules and deliberately misled the regulator and its bankers over the "inherently deceptive and unethical process" of the China UnionPay card.

The NSW Independent Casino Commission (NICC) has since suspended the company's Sydney casino licence and appointed Nick Weeks, a special monitor to run the casino. Mr Weeks was initially installed for 90 days from October 17 but his tenure was extended for 12 months to January 19, 2024.

The Queensland government followed the NICC's lead, but didn't suspend Star's other casino licences in Brisbane and the Gold Coast, instead opting to levy a $100 million fine and appoint a second monitor to assist Mr Weeks oversee Star's casinos in the state.

Star's shares have traded down 33 per cent to $1.92 since December 16, after the NSW government declared it would slap a tax on the state's two casinos – including Crown Sydney – to raise an additional $364 million over three years.

Star also faces massive fines if the Federal Court upholds AUSTRAC's allegations of widespread money laundering against the company.

Last year, ASIC launched a landmark case against 11 current and former Star officials for breach of director duties, alleging money laundering and criminal ties at its casinos.

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AI pioneer's warning amid ChatGPT wave

Exclusive

Yolanda Redrup

An Australian-born Stanford University professor whose work was foundational in the creation of generative AI – popularised by ChatGPT – has warned that it will inevitably lead to a boom in misinformation, but cautioned regulators against acting too early and stifling innovation.

Queensland-born Christopher Manning is one of the world's most highly regarded natural language processing experts and is part of a group of academics from Stanford who are considered among the foremost experts in the field (a branch of artificial intelligence centred on giving computers the ability to understand text and spoken words in a similar way to humans).

The most cited person in the field globally, with more than 200,000 citations according to Google Scholar, Manning is a household name in the world of artificial intelligence.

Speaking to *The Australian Financial Review*, he says people will need to adapt to a world in which misinformation and false images are rife.

"There are a lot of concerns and worries, and people should be thinking about these things. It doesn't cost a lot of money for someone to put together a story and distribute it with disinformation ... a state actor or someone with a reasonable amount of money can already have a substantial impact," he says.

"But with these new technologies, it is easy to produce plausible, good-sounding text ... and we can only expect that there will be an expansion of falsely generated images of people, or audio of people saying things they didn't.

"There will be a premium for reputable [news] outlets you can trust, but also more will need to be done in tracking provenance, so you can be sure that [what you're reading] is something someone actually wrote."

Generative AI is a type of artificial intelligence that involves creating original content, be it text, images, audio or data, with remarkable accuracy.

The spotlight is now firmly on this field thanks to OpenAI's launch of ChatGPT, DALL-E and GPT-3.

ChatGPT, which is accessible to the public, is a chatbot created by Silicon Valley company OpenAI and launched in November last year. It can explain in simple or complex terms what quantum computing is, suggest catchy headlines for a news article, or give you advice on running a business.

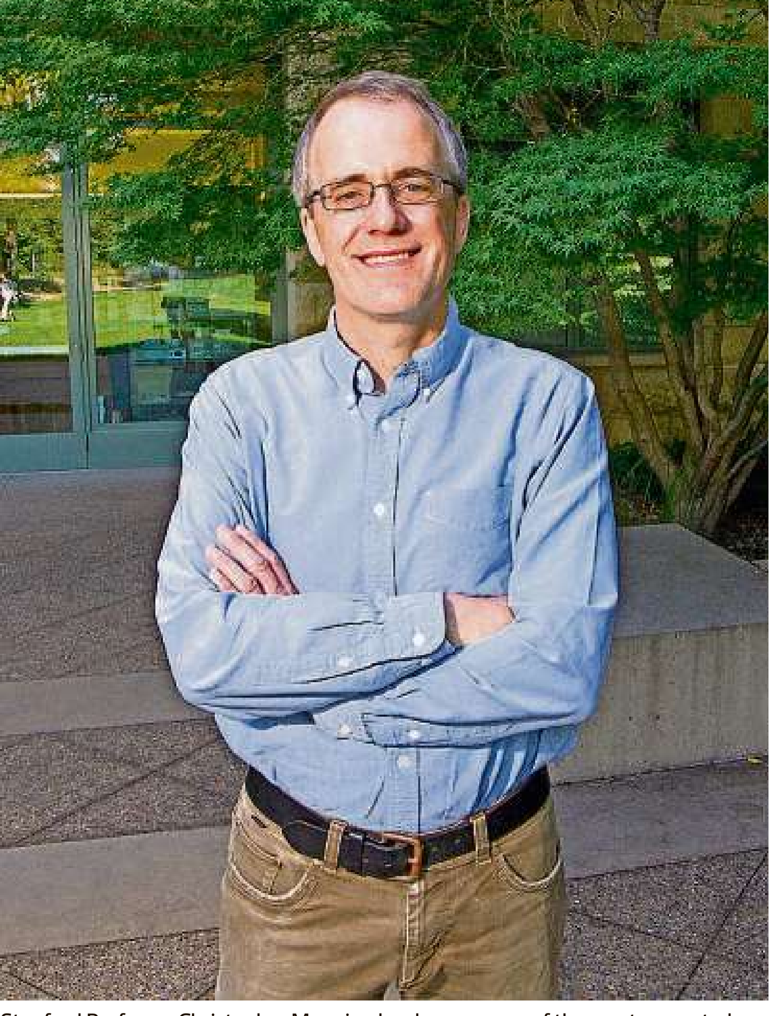
Manning says the recent advances shocked even those working in the field.

"There was a convergence of things that all came together in a way that was surprising. There might have been a few true believers, but most people didn't really think this would come together and go places," he says.

"In the 2000s, you could count on your fingers the number of people doing stuff in neural networks, including the three people who just won the Turing Award [considered the Nobel Prize of computing], Geoffrey Hinton, Yann LeCun and Yoshua Bengio.

"For a long time people thought this neural network stuff was a shonky area of AI and preferred statistically rigorous methods."

The recent advances have sparked investor fervour. According to CB Insights, generative AI companies raised $US2.7 billion in funding in 110 deals last year. This year, Microsoft has already tipped in $US10 billion to OpenAI.



Stanford Professor Christopher Manning has become one of the most respected experts in the world in artificial intelligence. PHOTO: NORBERT VON DER GROEBEN

The factors that converged to make these advances in AI possible, Manning says, include the explosion of data, a huge increase in computing power and genuine technical advances in how to build AI algorithms. The latter includes a critical invention by Google in 2017 that enabled neural networks to better comprehend context and meaning by altering the way they tracked relationships in data sequences.

Manning, who is also a partner at US-based AI venture capital fund AIX Ventures, alongside fellow Aussie Anthony Goldbloom, says generative AI will have implications on myriad industries, and the way people work.

"It's a massive opportunity to reinvent all sorts of industries and companies. It's still the early days of figuring out what is and isn't possible," he says.

"There are clearly enormous opportunities in the visual space with images and video ... now, we can automatically manipulate photos. The costs of doing things with computer graphics for movies is many millions of dollars, but that will come down substantially.

"On the language side, this is such an upheaval. So much of civilisation [has been centred around] the ability to write well, which has been so connected with human accomplishment and professionalism. What ChatGPT can produce might be like a first-year university student, but it's competent prose."

Continued p22

Ex-Young Rich Lister Bates' online network crumbles

Exclusive

Jessica Sier

The online wellness empire of beleaguered former Young Rich Lister Robert Bates has begun to disappear.

Mr Bates' Aquamamma and Aurum + websites have been disabled and supermarket giant Woolworths is denying any relationship with the products, after an investigation by *The Australian Financial Review* revealed the entrepreneur had failed to issue investors any shares in the businesses for which he may have raised up to $15 million.

In the past week, the Aquamamma.com.au and Aurum.Plus websites have both been pulled offline, but the social media pages for both wellness brands are still plagued with hundreds of customers demanding delivery or refunds for products they had purchased as long as six months ago.

Mr Bates faces allegations from a growing number of angry investors demanding their investments back – ranging from $50,000 to $US1.65 million ($2.4 million) – after discovering they did not legally own their shares, despite having been issued with what appeared to be shareholder certificates.

Mr Bates is understood to be in London and denies the allegations.

Aquamamma, which manufactures a hydration formula for pregnant women, has failed to deliver some of its orders for several months, following a wave of employees quitting the business due to the non-payment of superannuation and persistent requests from contractors who are owed millions in outstanding invoices.

Mr Bates has said Aquamamma has entered into a repayment plan with the Australian Taxation Office and into a "super guarantee" for staff entitlements.

Hundreds of Aquamamma sachets are understood to still be stored at the port of Melbourne and in the warehouses of New Zealand-based contractors that are awaiting payment.

Troubled businessman Robert Bates. PHOTO: PAUL HARRIS

Aquamamma products were sold on the now defunct website, as well as through a supplier called First Class Consulting, which directs products through Healthylife, a seller on the Woolworths Everyday Market website.

Woolworths has asserted it has no relationship with Mr Bates but has also confirmed neither it, nor Healthylife, have received any customer complaints regarding Aquamamma.

The disappearance of the Aurum+ website comes after repeated requests by UK-based scientists to have their images and information removed from the web pages and other marketing material used by Mr Bates to raise money from investors.

Aurum+ is marketed as an anti-stress supplement developed from the research of UK-based scientist, Dr Charles Akle.

Emails seen by the *Financial Review* revealed last week that two other UK-based scientists have repeatedly requested the removal of their information on the grounds they have nothing to do with the Aurum+ business and are no longer strategic advisers and were never directors.

Nitro battle plays up PE bargain hunt

What's the deal

Adir Shiffman

Shareholders in ASX-listed Nitro last week delivered a widely anticipated smack down to potential acquirer Alludo that was like watching an unavoidable car crash in slow motion.

In bidding for Nitro, Ottawa-based Alludo had managed to outmanoeuvre a competing admirer and secure the board's unanimous recommendation, including that of the founder. But despite this public display of affection, the deal was comprehensively rebuffed by shareholders.

This shocked no one. The scheme of arrangement structure required at least 50 per cent of eligible shareholders to vote, and 75 per cent to vote in favour. That was always a tall order at Nitro.

For a start, Alludo was precluded from voting its own 12 per cent and the competing bidder, Potentia, could just about block the scheme alone with the 19.8 per cent stake it already held. To add insult to injury, institutional shareholder Spheria also voted its 6 per cent against, and the final tally was just 68 per cent in favour.

You cannot really blame Nitro shareholders for their ambivalence about the $2.15 offer. Although the share price was languishing at $1.13 just six months ago, it is still a long way from the not-yet-forgotten $4 briefly reached in November 2021.

Nitro was co-founded by CEO Sam Chandler in 2005 and began life as an alternative to Adobe's PDF software.

In 2016, it began switching over to a subscription model. Then, in late 2021, Nitro closed a big deal by acquiring European eSigning start-up Connective for $110 million to cement its place in the $US17 billion eSign market.

Alludo (pronounced "All you do") is even older than Nitro and until recently was called Corel. Their eponymous Corel Draw software is well-known to any PC nut over 40, and indeed Alludo is like a 1980s clearing house for tech nostalgia.

Its other brands include the once-dominant Word Perfect, and MS-DOS compression pioneer PK Zip now known as WinZip. Wholly owned by KKR since 2019, Alludo is busy rolling up various software applications into a comprehensive suite.

However, it was Potentia that first put Nitro into play. Their initial $1.80 offer began a game of pricing ping pong, and Alludo returned serve at $2. Potentia then matched that price, before Alludo finished with a final 15¢ smash.

Potentia suddenly found itself shut out of due diligence and facing a Nitro board recommending Alludo's offer.

It hit back by dragging everyone to the Takeovers Panel, where chairwoman Yasmin Allen's three-person committee declined to intervene. Regardless, Alludo's scheme failed anyway and Potentia further demands due diligence access.

The war for Nitro yet again highlights private equity's predilection for beaten-down ASX-listed technology businesses with subscription revenue,

Continued p22

Start-up investors dig in as valuations take 29pc knock

Exclusive

Yolanda Redrup

A new survey of Australian tech start-up investors has found that company valuations fell by an average of 29 per cent last year, but investors are slowing down rather than deserting the market.

Folklore Ventures and Cut Through Venture's State of Australian Startup Funding report found that $7.4 billion was raised across 712 deals, down from more than $10 billion in 2021.

Despite the fall in dollars invested, the study found that the number of active investors was up almost 80 per cent on 2020's numbers.

Six Aussie start-ups joined the $1 billion unicorn club last year and 34 per cent of investors reported at least one portfolio company collapsing.

At the same time, competition between investors in late-stage deals nose-dived.

There were 28 local capital raisings above $50 million, generating $3.4 billion, but the report highlighted a 30 per cent fall in the size of Series B or later rounds from $80.2 million to $56.5 million.

Although down from 2021's record number of 899 start-up investors (venture capital funds are considered one entity), 827 investors remained active last year, the report revealed, up more than 77 per cent from the 467 investors in 2020.

Cut Through founder and Five V Capital venture capitalist Chris Gillings said this demonstrated that most investors believed the correction was a good thing for the ecosystem.

"The fact that Australian [funding] only declined by 30 per cent in an environment where the US and other larger, more established markets fell by more, is a great sign," he said.

> **Lots of investors think last year was a good thing to happen.**
> Chris Gillings, venture capitalist

"People took a deep breath ... lots of investors think last year was a good thing to happen."

The valuation drop was calculated by Cut Through and Folklore by surveying 116 venture capitalists about their perceptions.

All but five investors put forward a negative number, with the weighted average being a 29 per cent decline.

Folklore Ventures managing partner Alister Coleman said capitalism without loss would be "like religion without hell".

"We have seen valuations pull back, but only to the equivalence of one to two years ago, much like the public market. And the hope is that with the patience that's entered the market ... valuations don't start levitating above what might be rational over the longer term," he said.

"For the type of returns that VCs at early and late stage want to get, there has to be an acceptance of risk and failure."

Of the founders surveyed, 60 per cent said they planned to raise their next round this year.

Although later-stage deals fell off a cliff in the second half of the year, 2022 proved to be a bumper one for early-stage funding.

Deals under $5 million jumped 13 per cent to 428, making up more than 7 per cent of the total capital raised; funding rounds between $5 million and $20 million remained steady at 158 deals.

Mr Gillings tipped the jump in early-stage activity to continue this year.

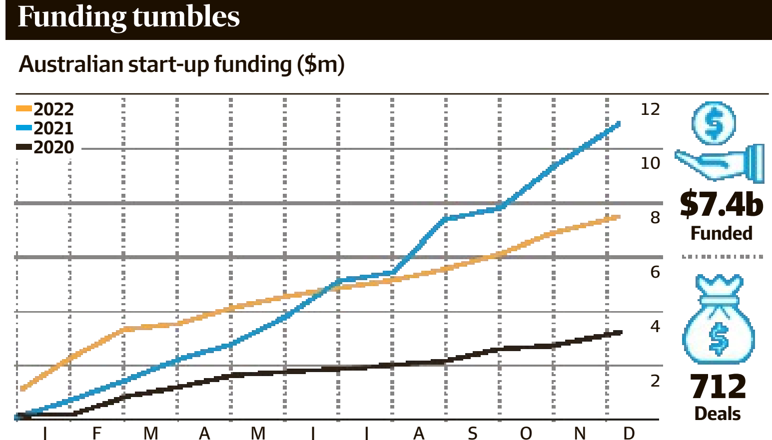
Mr Gillings said early-stage funding would remain hot, and he also expected the number of Series B-plus raisings to rise this year.

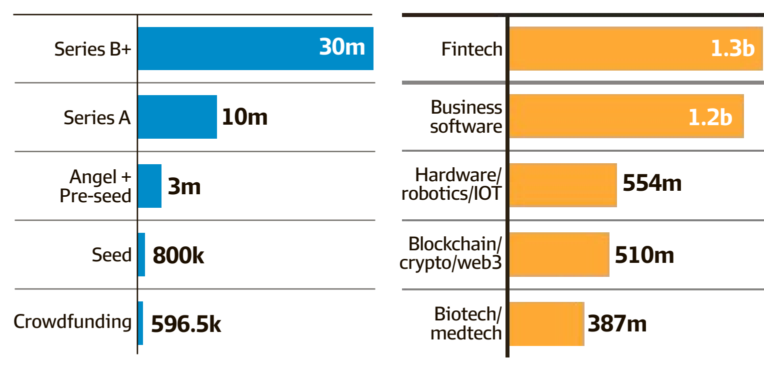
He said two tiers of companies would emerge – those that had grown into their valuations, and those that had not.

Alongside the boom in seed-stage deals, the report pointed to a record number of start-ups raising capital with a female founder or co-founder.

About 33 per cent of angel and seed-stage funding flowed to start-ups with female founders, including the likes of retail visitor experience software platform Nola, social cooking platform ReciMe and game studio Lumi Interactive. Across all deals, 23 per cent of start-ups funded last year had at least one female founder. However, the share of overall capital raised fell to 10 per cent.

Funding tumbles





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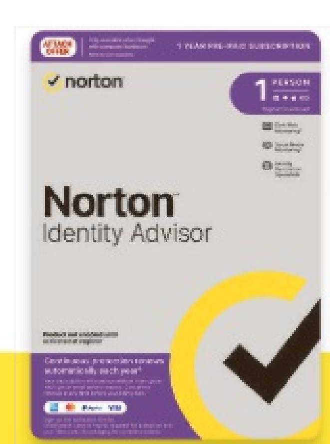

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Gambling regulator moved to stall reform

Exclusive

Mark Di Stefano

Australia's de-facto gambling regulator privately lobbied the government to stall a major policy to help problem gamblers on behalf of foreign-owned online bookmakers.

The Northern Territory Racing Commission (NTRC) sent correspondence to the government last month, laying out apparent concerns that online bookmakers had with the soon-to-be-released self-exclusion register for problem gamblers, called BetStop.

All major online bookmakers, many foreign-owned, are based in the Northern Territory for tax reasons, which means the NTRC acts as the main cop on the beat for regulating Australian gambling on the internet.

But according to the letter sent to the Department of Social Services and seen by *The Australian Financial Review*, the NTRC's chairman, Alastair Shields, asked the secretary of the department to stall the rollout of BetStop.

Mr Shields said the online gambling industry had objections to how the register would work, imploring the senior government official to step in and address the concerns, which may require a legislative amendment.

A spokeswoman for Minister for Communications Michelle Rowland said the government was pushing ahead with BetStop, which was in its final testing phases.

"The BetStop system has been subject to extensive final testing and trialling, including with industry," the spokeswoman said. "This has been necessary to provide a secure and trusted protection for at-risk gamblers.

The incident highlights the power the online gaming operators have over the NTRC.

ASX-listed Tabcorp recently called for a single national gambling regulator, slamming the way foreign-owned online gaming giants have used the "patchwork" of laws to station themselves in the Top End, paying less tax than physical operators.

Communications Minister Michelle Rowland. PHOTO: ALEX ELLINGHAUSEN

The likes of SportsBet, bet365 and Ladbrokes, which operate easy-to-use apps, have surged in popularity, replacing more traditional forms of gambling. Some estimates put the online wagering industry in Australia at around $6 billion a year.

The idea of a national register for problem gamblers to self-exclude stemmed from a review into illegal offshore gambling from former NSW premier Barry O'Farrell in 2016.

The Australian Communications and Media Authority has been tasked with overseeing the register, which would give problem gamblers the chance to enter their details into an online portal and all online bookmakers would be required to block them when they try to sign up to services. A similar register already operates in the UK.

Despite praising the register in public, industry opposition to how BetStop works came to a head during a private meeting of the NTRC, senior ACMA official Jeremy Fenton and online bookmakers on November 28.

According to the subsequent letter from the NTRC's Mr Shields, online bookmakers believed there were privacy concerns with keeping all the personal details of problem gamblers in one place. The letter also suggested bookmakers believed problem gamblers could get around the register, by opening accounts using different names or addresses.

The existing self-exclusion register for problem gamblers involves them printing out a PDF form, filling out their details and then scanning and sending the form to the NTRC.

Despite efforts to slow the rollout, Mr Shields sent a statement to the *Financial Review* on Monday saying the NTRC was an "enthusiastic supporter of an effective national self-exclusion register".

"The commission would like to see the rollout of an effective and robust self-exclusion system taking into account real-life scenarios such that the potential harms arising from gambling, including those individuals who, because of their addiction, seek to deliberately circumvent processes/systems, are further reduced."

Biologist uses family skill to rebuild reefs

Tess Bennett

As a marine biologist, Taryn Foster never expected her career to lead her back home to her family's masonry factory in Geraldton, 400 kilometres north of Perth, but that is exactly where she has been figuring out how robotics and automation can restore coral reefs.

In between her studies, Dr Foster worked on and off at the family business The Blockmakers, which manufactures stone products such as limestone blocks and pavers.

The family's machines are now also being used to mass-produce limestone coral skeletons, using traditional dry-cast masonry manufacturing.

Dr Foster founded her company, Coral Maker, in 2019, and it has set itself the ambitious goal of restoring a million corals a year.

The start-up, in the process of raising its first seed funding round, is also testing how robotic arms can be used to insert seed plugs with coral fragments into the man-made skeletons.

"Coral reef restoration has been happening around the world for the last few decades, but it's mostly been NGOs doing it on a very small scale, and doing everything manually," Dr Foster told *The Australian Financial Review*.

"I've got a really unique perspective because I've seen how you can scale things in the manufacturing industry, and I can see that we're not using any of those techniques in reef restoration."

Taryn Foster has a goal of restoring 1 million corals a year using mass production and robotics. PHOTO: TIM CAMPBELL

Coral Maker has partnered with a local commercial coral grower, Abrolhos Coral and Live Rock, and has begun placing its seedlings and coral skeletons at the Abrolhos Islands.

Traditionally, propagating new coral involves taking a live cutting from a colony, and then grafting it and allowing that piece to grow its own skeleton.

Coral Maker aims to scale the restoration process, making it possible to repair reefs that have suffered bleaching events more quickly, and even move coral colonies to locations better placed to withstand climate change.

The process could shave years off the time it takes for new coral to reach maturity. Dr Foster said that, depending on the species, the coral took three to 10 years to reach adult size when starting with a small fragment. By putting a group of the same coral together on a skeleton, they will fuse to cover the base structure, which could take 18 months to a few years to reach maturity.

Dr Fostere was inspired to start the business following major coral bleaching events while she was researching her PhD on how climate change affects coral reefs.

She moved to San Francisco to study at the California Academy of Sciences, to learn how technology such as robotics, 3D design and engineering could be adapted for coral. She had planned to use 3D printers to recreate the "complex, beautiful" shape of coral, but found the machines were too slow to produce enough structures to accelerate the process of reef restoration.

That led her back to her roots and she began working out how traditional brick-making machines could be adapted to produce thousands of less-complex shapes each day that could house the coral seed plugs.

While studying in the US, Dr Foster joined the Autodesk Technology Centres' Outsight Network residency, which gave her access to pro bono support from the Autodesk Foundation.

Autodesk makes 3D design, engineering and construction software, and its employees across North America and England assisted Coral Maker in its use and advanced manufacturing and robotic automation.

From page 20

AI pioneer's warning amid ChatGPT wave

Although he thinks it is rash for companies to be sacking marketing staff, Manning predicts that in industries where competent prose is sufficient, such as copywriting for advertisements, generative AI will replace work done by humans.

"There's no doubt at all that we're in a world where if you want to do outreach to different companies or customers, you can get computer-generated customised emails," he says.

"Or for government reports, there's a lot of text being put together regularly and so much of that can be automated."

Manning's interest in computer science and linguistics began early. He recalls in high school being more interested in the structure of language than creative writing or literature.

As an undergraduate at the Australian National University, where he majored in mathematics, computer science and linguistics, he became interested in natural language processing and the concept that you could examine human language scientifically and "computerise" that.

He moved to the US in the 1990s to study further because there was little scope to learn more about the field in Australia.

In the late '90s he gained global prominence in the field for writing the book *Foundations of Statistical Natural Language Processing.* This work laid the foundations of the first generation of language translation technologies, such as Google Translate.

But, he says, they only "half worked".

Simultaneously, a small group of people had continued working on neutral networks. In the second half of the 2000s, there were breakthroughs in neural networking capabilities, but few people noticed.

One who did, Manning says, was his then-colleague at Stanford, Andrew Ng, who in 2013 was named one of *Time* magazine's top 100 most influential people. It was Ng who got both Manning and Google interested in neural networking.

"Between 2010 and 2012, there was still no one noticing the exciting things that were happening, so it was effectively me, a few of my students and Andrew doing work with natural language processing in neural networks.

"It worked out great for me because, basically, I got in on the ground floor."

With the explosion of generative AI catching even scientists in the field by surprise, Manning says regulators globally have found themselves on the back foot.

Last week, Australia's chief scientist, Cathy Foley, said she anticipated that her office might be asked to prepare a Rapid Research Information report on the implications of the new AI tech.

Although Manning says there are clear examples of where more regulation in AI is needed, such as autonomous vehicles, policymakers should tread carefully.

"We're getting to a point where there should be regulation ... but it's difficult to do when things are moving fast, people often don't understand it well, and there's a huge danger of premature regulation," he says.

"But I think the right approach is to be slow to regulate – you want to see what the real problems are."

From page 20

Nitro battle plays up PE bargain hunt

decent growth, and a global footprint – but still losing money (or at best marginal).

Local investors have abandoned these burners, but the buyout specialists fixate on their proximity to material free cash flow and smell a bargain.

Nitro's FY22 update emphasises how differently the various parties can view performance.

Revenue rose an impressive 31 per cent to $US69 million ($99.6 million) in the year ended December 31, while annual recurring revenue firmed 27 per cent to $US59 million, endorsing the switch to subscription.

This growth would have pleased most investors, but the $US15 million cash outflow was more divisive. Those now allergic to cash burn considered it a big red flag, while others noted that operating outflow had improved steadily to almost breakeven in the December quarter.

Potentia and Alludo likely view Nitro through this latter prism, with a clear if painful path to $US100 million of revenue, $US15 million or more of free cash, and sustainable revenue growth of at least 20 per cent.

Hitting these numbers is no sure thing but if Nitro could do it soon, the current $US360 million price tag would be a veritable bargain when the next IPO window eventually opens.

Doing deals is like a messy blend of chess, poker, diplomacy and mixed martial arts. Right now, Alludo is in the diplomacy phase as its tries to convince more shareholders to sell. If successful, it will then face the next problem of what to do with a 50 per cent stake, particularly if Potentia is still in there and seeks to maximise disruption.

In the meantime, though, Potentia will keep playing poker with Nitro.

The board must now decide whether to capitulate and grant due diligence or refuse and risk the total loss of competitive tension. These are big decisions with big financial consequences.

Meanwhile, retail shareholders are stuck playing a game of chicken.

Powerless to affect the process, they can still sell for $2.15. That will be great for some, but not for those who bought shares at $3.43 in the Connective placement 14 months ago.

So it's probably only half-time in the Nitro takeover game.

Adir Shiffman is executive chairman of Catapult Sports and a serial investor and entrepreneur.

ASX Industrial Markets

Key
▲ - 52-week high. ▼ - 52-week low.

52-Week High	52-Week Low	Company Name	Last Sale	+ or -	Vol 100s	Div Yld (%)	P/E Ratio (x)
.12	.058	**1414 Degrees**	.073	-.2	862	-	-
.003	.001	**333D**	.001	-	10340	-	2.5
1.04	.75	360 Capital	.82	-	970	6.40	5.7
.965	.75	360 Capital REIT	.825	-1	178	7.19	3.5
1.75	1.165	3P Learning	1.26	-	26	-	90.9
.97	.32	**4DMedical**	.43	-	2421	-	-
.133	.022	4DS Memory	.032	-.9	345116	-	-
.17	.085	**8Common**	.094	-.1	358	-	-
3.04	.67	8VIC Hldgs	1.00	-	8	-	14.7
.002	.001	**A1 Invest & Res**	.001	-	98	-	-
1.49	.955	A2B Aust	1.15	+4.5	375	3.17	11.1
3.65	2.44	Abacus Property Gp	2.93	-2	10687	6.19	4.8
.46	.245	Academies A'asia	.45	-	100	2.00	8.5
2.27	1.14	Accent Gp	2.22	-6	12422	2.85	40.8
.70▲	.41	Acrow Formwork	.695	-	1524	3.88	11.5
.11	.05	Acrux	.074	-	160	-	-
.16	.04	Actinogen Medical	.098	+.2	29169	-	-
.17▲	.061	Activeport Gp	.165	+1.5	1145	-	-
.165	.078	Acumentis Gp	.079	+.1	26	-	9.6
4.00	3.30	Acusensus	3.35	-5	85	-	-
.029	.009	AD1 Hldgs	.009	-.1	9774	-	-
1.195	.67	Adacel Tech	.77	+3.5	327	8.16	12.3
3.38	1.65	Adairs	2.70	-13	8877	6.36	10.9
.083	.038	AdAlta	.04	-.1	1736	-	-
3.37	1.34	Adbri	1.84	-6	9350	6.32	11.6
.014	.004	Adherium	.004	-	26020	-	-
3.02	.975	Adore Beauty	1.08	-2.5	151	-	44.1
1.58	.97	Adrad Hldgs	1.055	+2.5	432	-	-
.022	.007	Adslot	.009	-.1	2453	-	-
.046	.021	Advance Braking Tech	.046	-	779	-	28.7
2.80	1.985	Advance Zinctek	2.25	-5	278	-	64.1
.46	.09	Advanced Health	.10	-	269	-	-
.34	.165	Advanced Share Reg	.17	-3	821	5.00	22.0
.13	.057	Adveritas	.07	-.3	253	-	-
.165	.099	Aeeris	.12	-.5	290	-	61.7
.096	.027	Aeris Environmental	.038	-.2	11160	-	17.3
.205	.10	Aerison Gp	.175	-	57	-	10.0
.71	.205	Aerometrex	.60	+.5	40	-	-
.465	.115	AF Legal Gp	.138	+1.25	357	-	56.8
3.91	2.90	AFT Pharmaceuticals	3.35	-	5	-	22.4
8.88	6.315	AGL Energy	7.75	+8	15462	3.39	5.8
.65	.22	Ai-Media Tech	.35	+1	75	-	-
1.30	1.02	AIMS Prop Sec Fund	1.29	+2.5	145	.70	14.2
1.35	.77	Ainsworth Game Tech	1.015	-2.5	1096	3.25	29.8
1.12	.47	Air New Zealand	.71	-1	2659	7.28	7.2
.78	.245	Airtasker	.345	-	2062	-	-
.24	.026	AJ Lucas Gp	.027	-	1736	-	13.6
.25	.10	Alcidion Gp	.145	-	3292	-	-
.073	.015	Alexium Intl Gp	.023	-.1	5017	-	-
.19	.08	Allegra Orthopaedics	.084	+.4	350	-	-
4.48	2.96	Alliance Aviation	3.48	+3	337	2.67	80.0
.265	.115	Alloggio Gp	.22	-	731	-	17.7
13.76	9.96	ALS	12.95	-24	9048	2.83	24.3
.022	.008	Alterity Therapeutic	.011	+.1	20674	-	-
.028	.01	Alterra	.012	-.2	449	-	-
.225	.052▼	Althea Gp	.052	-.2	48152	-	-
40.00▲	24.32	Altium	39.33	-53	2100	1.18	67.6
.42	.145	AMA Gp	.22	+.5	3242	2.99	135.1
.33	.064	Amaero Intl	.18	-	2859	-	-
.415	.265	Amber Tech	.32	-	676	9.38	7.6
19.03	14.63	Amcor	17.30	-1	14176	4.06	22.4
.285	.085	American West Metals	.092	-.1	13210	-	-
.15	.052	AML3D	.083	-.9	12330	-	-
1.40	.87	AMP	1.35	-	62467	3.07	29.3
.18	.08	Amplia Therapeutics	.083	-.3	1424	-	-
.055	.019	Anagenics	.023	-.6	1523	-	-
.002	.001	Analytica	.002	-	34941	-	-
.121	.03	Anatara LifeSc	.039	+.1	120	-	-
2.65	1.15	Ansarada Gp	1.385	+.5	66	-	204.1
29.72	21.11	Ansell	28.41	-21	3242	2.76	16.5
.275	.044	AnteoTech	.05	-	4752	-	-
30.89	14.06	Anteris Tech	24.04	-216	236	-	-
.167	.073	Antisense Therapeut	.084	-.2	5424	-	-
28.106	20.784	ANZ Banking Gp	25.58	-17	40845	5.65	11.0
12.25	9.03	APA Gp	10.87	-	11557	4.97	55.6
.886	.56	Apiam Animal Health	.62	-.5	857	2.53	18.6
3.55	2.295	APM Human Services	2.48	-3	3418	1.99	35.5
9.51	2.22	Appen	2.59	-13	7410	2.02	19.6
.08	.018	Applyflow	.02	-	1219	-	-
.38	.25	Aquirian	.30	-	84	-	42.9
.20	.10	Aquis Entertain	.185	+.5	-	-	11.0
47.25	24.84	ARB Corp	33.32	-8	5332	2.13	22.4
.765	.26	ARC Funds	.28	-	21	-	-
.235	.094	archTIS	.115	-.5	1660	-	-
1.62	.465	Ardent Leisure	.68	-1.5	7385	66.29	-
5.18	3.30	Arena REIT	3.78	-15	5113	4.20	4.1
.80	.35	Argenica Therapeut	.405	-2	816	-	-
.78	.59	Ariadne Aust	.63	-2	395	1.54	10.3
41.68	30.36	Aristocrat Leisure	36.38	-7	10150	1.43	25.6
1.245	.615	Aroa Biosurgery	1.15	-	2521	-	23.5
.055	.02	Arovella Thera	.031	+.2	14717	-	-
1.22	.32	Artrya	.56	+8	142	-	-
.06	.035	ASF Gp	.042	-	29	-	8.6
.815▲	.615	Ashley Services Gp	.81	+2	965	7.59	10.1
1.98	1.45	Aspen Gp	1.87	-3	22	3.68	3.5
.03	.016	Aspermont	.019	-	2000	-	200.0
.006	.001	AssetOwl	.001	-	5000	-	-
.78	.20	Assoc Global Partners	.285	+.5	600	-	-
90.61	65.25	ASX	71.11	+39	3474	3.34	27.0
7.803	5.812	Atlas Arteria	6.96	-14	13498	5.51	34.7
.058	.024	Atlas Pearls	.026	+.1	734	-	2.3
.22	.053	Atomo Diagnostics	.053	-	985	-	-
.888	.059	Atomos	.07	-.5	3640	-	18.5
1.05	.50	Atturra	1.05	+1	89	-	25.8
24.95▲	16.23	AUB Gp	24.67	+52	2721	2.26	22.9
7.94▲	6.24	Auckland Intl Airport	7.82	-7	4861	1.44	66.7
.80▲	.66	Auckland RE	.80	+3	-	-	1.9
1.185	.81	Auctus Inv Gp	.85	-4	640	5.62	32.7
.14	.069▼	Audeara	.074	-.6	9552	-	-
10.25	4.99	Audinate Gp	7.71	-10	971	-	2500.0
21.20	8.24▼	Audio Pixels	8.33	-12	44	-	-
.018	.003	Aumake	.004	+.1	171279	-	-
4.245	3.43	Aurizon Hldgs	3.74	+2	37153	5.75	13.4
.09	.026	Aurora Labs	.035	-.1	725	-	-
6.03	1.95	Aussie Broadband	2.92	-5	1660	-	125.0
2.40	1.48	Aust Agricult Co	1.675	-.5	2979	-	9.5
.027	.018	Aust Agricult Proj	.019	-.1	1000	-	16.7
.50	.20	Aust Bond Exch	.378	-.25	255	-	-
5.88	2.865	Aust Clinical Labs	3.07	-6	4151	16.93	3.5
.105	.038	Aust Dairy Gp	.039	-.1	62376	-	-
9.89	3.71	Aust Ethical	4.46	-	887	1.35	52.6
2.45	1.415	Aust Finance Gp	1.665	-4	4230	9.74	12.0
2.60	1.215	Aust Unity Office	1.67	-2.75	664	7.42	27.0
.765	.59	Aust Vintage	.61	-	396	5.57	8.8
2.82	1.615	Austal	1.64	-1	6443	4.85	7.5
.138	.09	Austco Healthcare	.12	-	431	2.50	14.6
.40	.213	Austin Engineer	.36	-	175	1.39	10.5
7.19	5.10	Auswide Bank	5.86	-1	87	7.16	9.7
2.33	1.38	Autosports Gp	2.15	-	234	7.44	8.2
.42	.135	AVA Risk Gp	.223	-.75	1163	13.54	35.5
.96	.695	AVADA Gp	.69	+2.5	12	-	-
.023	.007	Avecho Biotech	.012	-.1	12566	-	18.0
3.23	1.28	Avita Medical	2.77	+10	3808	-	-
.595	.38	AVJennings	.42	-1	839	4.12	13.4
.087	.044	Axiom Properties	.075	-.1	80	50.00	5.9
5.55	2.43	**Baby Bunting Gp**	2.63	-8	14778	5.76	18.9
.015	.004	Babylon Pump Power	.005	-	500	-	-
8.71	6.39	Bank of Qld	7.13	-6	37904	6.40	12.0
7.29	5.445	Bapcor	6.42	-14	5697	3.28	17.8
.20	.10	Baumart Hldgs	.12	-	42	-	8.7
.15	.059	BCAL Diagnostics	.06	-	1174	-	-
2.91	1.66	Beacon Lighting Gp	2.18	-8	2178	4.12	12.4
.44	.185	Beam Comms	.215	-3.5	3887	-	30.0
.495	.185	Beamtree	.30	-	53	-	384.6
1.55	.215	Beforepay Gp	.40	+.5	393	-	-
5.40	3.12	Bega Cheese	3.71	+7	7612	3.02	45.5
1.68	.81	Bell Financial Gp	1.025	-1.5	236	8.65	9.0
10.83	7.71	Bendigo & Adelaide Bk	9.96	-10	14859	5.27	13.0
3.90	1.865▼	Best & Less Gp	1.87	-5.5	2099	11.95	6.7
.089	.023	Beston Global	.029	+.1	4340	-	-
.84	.215	BetMakers Tech	.22	-1	48071	-	-
2.79	1.80	Big River Ind	2.40	-6	272	6.30	9.6
.955	.43	Bigtincan Hldgs	.585	-	4554	-	-
.093	.011	BikeExchange	.011	-.2	8569	-	-
.35	.09	Bio-Gene Tech	.10	+.4	3060	-	-
.115	.065	Biome Aust	.07	+.1	1055	-	-
.098	.029	Bionomics	.033	+.2	1804	-	312.5
.104	.026	Biotron	.032	+.2	9336	-	-
.029	.011	Bioxyne	.029	+.1	6196	-	140.8
.059	.016	BIR Financial	.042	+.1	500	-	-
.50	.125	Birddog Tech	.135	-.25	631	-	-
2.42	1.38	Bisalloy Steel	2.12	+1	203	6.40	6.7
93.17	62.73	Blackmores	85.80	-154	307	1.09	55.9
1.045	.525	Blackwall	.61	+2.5	846	8.55	23.4
196.00	80.37	Block Inc.	119.22	-242	1838	-	312.5
.965	.31▼	BlueBet Hldgs	.33	+2	330	-	-
.047	.023	Bluechiip	.031	+.1	358	-	-
.06▲	.022	BluGlass	.057	-.1	63363	-	-
1.305	.475	BNK Banking	.475	-2	40	-	43.5
2.88	1.72	Boart Longyear	1.91	-	1	-	.2
.217	.065	Bod Science	.085	-1	450	-	-
1.225	.17	Booktopia Gp	.305	-1.5	619	-	13.3
.215	.135	Boom Logistics	.14	-	902	3.57	15.6
4.17	2.48	Boral	3.54	-1	10992	1.52	243.9
.095	.052	Botanix Pharma	.057	+.2	26166	-	-
1.79	.59	Brainchip	.63	-3.5	76169	-	-
13.13	9.32	Brambles	12.27	+1	17435	2.64	21.8
2.29	.54	Bravura Solution	.865	-.5	2069	7.93	7.3
31.00	16.65	Breville Gp	22.51	-30	1817	1.32	30.3
24.48	17.00	Brickworks	24.13	-6	851	2.60	4.2
.185	.05▼	Bridge SaaS	.053	-1.2	5749	-	-
1.315	.62	Brisbane Broncos	1.10	+4	-	.94	31.9
5.13	4.20	Briscoe Gp	4.35	-	-	5.74	12.4
1.663	.336	BSA	.545	+1	171	10.99	29.4
6.00	4.15	BSP Financial Gp	4.85	-5	99	13.09	5.8
.075	.032▼	BTC Health	.032	-.3	90	-	-
.846	.275	Bubs Aust	.30	-	13525	-	-
.30	.10	Butn	.17	+1	569	-	-
4.35	3.58	BWP Trust	4.02	-3	10154	4.52	5.3
3.717	.15	BWX	.245	-.5	3180	4.88	7.8
111.38▲	86.98	**C'wlth Bank of Aust.**	110.75	-40	13254	3.46	20.5
9.65	4.02	Calix	5.57	-9	871	-	-
3.48	1.60	Camplify Hldgs	1.98	-9	92	-	-
.435	.185▼	Cann Gp	.19	-	3787	-	-
.26	.11	Cape Range	.14	+.5	381	-	-
.375	.265	Capitol Health	.295	+1	626	3.51	28.2
9.89	6.94	Capral	8.22	+7	116	8.59	3.0
.028	.011	CAQ Hldgs	.025	-.1	20	-	-
1.11	.095	Carbon Revolution	.15	-	675	-	3.7
.315	.07	Carbonxt Gp	.076	+.1	2652	-	-
.60	.25	CardieX	.345	+.5	357	-	-
2.05	.11	Cardno	.48	-	48	355.00	2.3
.15	.056	Careteq	.063	-.5	234	-	-
4.85	4.14	Carindale Property	4.45	-3	310	8.65	4.8
.05	.017	Carly Hldgs	.02	-	168	-	-
.003	.001	Carnegie Clean Ene	.001	-	12514	-	15.8
23.47	16.989	Carsales.com	23.02	-39	4818	2.11	41.2
.27	.22	Cash Converters	.235	-.25	3237	8.42	13.7
.141	.048	Catalano Seafood	.115	-.5	60	-	-
1.535	.675	Catapult Gp Intl	.735	+1.5	765	-	-
5.31	3.42	Cedar Woods Prop	4.69	-12	2031	5.72	10.6
.066	.024	Cellnet Gp	.026	-	19	10.00	2.5
.31	.205	Centrepoint Alliance	.235	-.5	198	6.25	7.2
3.11	1.485	Centuria Capital	1.97	-5	20088	5.59	6.1
4.005	2.545	Centuria Ind REIT	3.52	-7	6460	4.64	500.0
2.32	1.41	Centuria Office REIT	1.725	-3.5	8583	8.72	27.9
3.10	.33	Cettire	1.82	-18	9604	-	-
7.83	5.80	Challenger	7.32	+12	14913	3.19	21.7
.097	.041	Change Financial	.051	+.1	23	-	-
17.19	10.50	Charter Hall Gp	14.81	-48	21597	2.70	8.0
5.44	3.90	Charter Hall Long W	4.73	-2	22211	6.16	3.5
4.51	3.59	Charter Hall Retail	4.18	-7	11595	6.07	3.7
4.20	2.94	Charter Hall Soc In	3.48	-7	5753	4.90	3.6
.217	.074▼	Chimeric Thera	.074	-.3	3529	-	-
8.20	6.07	Chorus	7.90	+1	1674	3.69	78.7
5.55	2.80	Chrysos	4.15	-6	117	-	-
.027	.003	Cipherpoint	.007	-.1	82329	-	-
.037	.024	Cirrus Networks	.037	-	20844	-	9.5
5.62	.375	City Chic Collective	.58	-5	17504	.57	6.6
.70	.53	Civmec	.645	+.5	613	4.69	5.9
1.05	.36	Clarity Pharmaceut	.865	-	63	-	-
.65	.44	Clean Seas	.58	-	408	-	11.0
.66	.345	Clean TeQ Water	.39	-	43	-	-
3.31	2.51	Cleanaway Waste	2.75	-1	15625	1.78	72.5
1.35	.305	CleanSpace	.44	+4	65	-	6.8
.84	.45	Clearview Wealth	.485	-2	1251	3.96	29.2
.51	.165	ClearVue Tech	.195	-1.5	414	-	-
.615	.45	Clime Invest	.49	+1	63	2.86	344.8
28.72	13.16	Clinuvel Pharmac	24.26	-21	852	.16	60.6
.49	.22	Close the Loop	.39	+2	943	-	16.0
1.65	.95	Clover Corp	1.40	+.5	1251	1.08	32.5
1.125	.33	Cluey	.34	-1	683	-	-
1.913	1.30▼	Cobram Estate Olives	1.365	+1.5	5701	2.44	-
236.43	184.62	Cochlear	220.28	-168	882	1.35	50.5
9.21	3.64	Codan	5.48	-8	2177	5.04	10.0
1.995	1.30	COG Financial Srvc	1.48	+2.5	42	5.70	13.3
2.47	1.23	CogState	1.995	+1.5	2856	-	33.3
19.65	15.97	Coles Gp	18.14	-1	17252	3.47	23.0
12.84	6.96	Collins Foods	8.33	+16	12276	3.30	24.3
.13	.064	Comms Gp	.069	-	250	-	66.7
.11	.043	Complii Fintech Soln	.049	-.1	5710	-	250.0
.375	.15	Compumedics	.185	-	28	-	23.1
28.34	19.46	Computershare	24.59	+58	22090	2.25	45.7
.012	.008	Connexion Telematics	.011	-.05	19830	-	39.4
.008	.003	Constellation Tech	.005	+.1	380	-	-
7.99	6.18	Contact Energy	7.04	-5	3	4.36	33.2
.46	.115	Control Bionics	.17	+1	411	.48	29.6
26.34	13.72	Corporate Travel	18.41	-29	5583	.27	833.3
.067	.026	Corum Gp	.035	-	2417	-	370.4
.865▲	.45	COSOL	.86	+1	284	2.26	22.5
3.455	1.93	Costa Gp Hldgs	2.79	-	7320	3.23	33.7
.93	.56	Countplus	.67	+.5	110	5.26	14.6
1.723	1.00▼	Coventry Gp	1.00	-4	164	3.37	20.0
.70	.30	CPT Global	.315	+.5	230	7.94	9.0
.53	.30	Credit Clear	.365	-1.5	500	-	-
33.19	16.35	Credit Corp Gp	22.03	-112	2168	3.20	19.3
.28	.093	Credit Intelligence	.185	-	315	3.33	27.5
.089	.018	Creso Pharma	.02	+.1	544641	-	-
.905	.65	Cromwell Prop	.74	-2	20566	7.89	7.6
1.04	.175	Cronos Aust	.54	-	2198	1.85	43.5
.87	.40	Cryosite	.80	+.5	124	1.26	28.5
314.21▲	240.10	CSL	311.92	-189	6093	1.01	46.7
6.31	3.93	CSR	5.22	-5	8419	6.55	11.8
2.17	.86	CTI Logistics	1.905	-9.5	7	3.25	9.9
2.45	1.89	CVC	2.00	-	46	4.50	38.6
.022	.006	Cycliq Gp	.007	-.1	3555	-	-
1.655	.95	Cyclopharm	1.40	-16.5	200	.64	-
.48	.28	Cynata Therapeutics	.34	+2.5	298	-	-
2.58	1.925	**Dalrymple Bay Infra**	2.50	-	2997	7.46	62.5
.325	.076	Damstra Hldgs	.125	-.5	693	-	-
7.35	4.30	Data#3	7.26	-4	2210	2.45	37.3
.011	.005	DataDot Tech	.006	-	310	-	1.2
.16	.033	DC Two	.035	+.1	10	-	-
.24	.105	De.mem	.145	+.5	513	-	-
.31	.092	Decmil Gp	.225	-	783	14.34	6.5
.26	.055	Delorean Corp	.066	+.4	1848	-	-
.023	.006▼	Delta Drone Intl	.006	-.1	5823	-	6.4
1.25	.87	Desane Gp Hldgs	.95	-	160	2.53	8.4
11.30	7.375	Dexus	8.37	-21	35452	6.20	5.8
3.59	2.59	Dexus Convenience	2.91	-8	1335	7.44	4.9
3.46	2.33	Dexus Industria REIT	3.17	-6	2471	5.22	6.1
4.49	1.27	DGL Gp	1.65	+6.5	5467	-	15.2
15.69	9.135	Dicker Data	10.48	-25	702	5.03	24.4
.103	.025	DigitalX	.04	-.2	8131	-	4.4
.26	.12	Dimerix	.14	-	1562	-	-
1.10	.81	Diverger	1.025	-	264	4.88	11.5
.475	.047	Doctor Care Anywhere	.062	-.3	340	-	-
.072	.05	DomaCom	.065	-.3	3101	-	-
4.931	2.44	Domain Hldgs Aus	3.28	-5	14768	1.80	56.5
107.11	49.83	Domino's Pizza	72.24	-70	2566	2.15	39.8
.065	.029	Donaco Intl	.053	-.1	1279	-	1.8
.024	.009	DorsaVi	.012	-	6563	-	-
.40	.21	Dotz Nano	.235	+.5	674	-	-
.056	.012	Douugh	.013	-.1	5964	-	-
5.88	3.31	Downer EDI	3.92	+7	51270	6.23	18.1
3.20	1.605	DRA Global	1.68	+15	260	-	2.8
.42	.155	DroneShield	.345	-2.5	43059	-	-
.24	.15	Dropsuite	.21	-1.5	2775	-	454.5
.029	.01	DTI Gp	.019	+.1	300	-	59.9
1.90	.285	Dubber Corp	.39	-1.5	5015	-	-
.89▲	.33	DUG Tech	.86	-	2999	-	-
.725	.315	Duratec	.695	-.5	2079	2.86	22.4
2.79	1.55	Dusk Gp	1.98	+3	358	10.26	6.7
1.95	1.33	Duxton Farms	1.625	-	150	3.41	82.0
.011	.004	DXN	.005	-	1211	-	-
.435	.23	Dynamic Gp	.33	-	650	-	19.5
.73	.43	**E&P Financial**	.49	-.5	230	5.45	18.3
14.54	8.65	Eagers Automotive	11.22	-41	3618	5.55	9.8
.57	.18	Earlypay	.19	-.5	1642	16.41	4.2
.138	.019	East 33	.039	-.1	1204	-	-
43.00	31.10	EBOS Gp	40.04	-15	82	1.92	34.7
.82	.33	EBR Systems	.62	-.5	1029	-	-
.035	.01	eCargo Hldg	.018	+.3	36	-	6.2
.23	.094	Echo IQ	.16	-.5	180	-	-
2.89	1.705	Eclipx Gp	2.16	+2	4039	5.11	6.2
.505	.175	Ecofibre	.225	-1	1612	-	303.0
.031	.014	ECS Botanics Hldg	.027	-.1	741	-	-
.02	.004	Eden Innov	.005	-	35379	-	-
.20	.12	EDU Hldgs	.18	-2	200	-	-
1.04	.78	Eildon Capital	.85	+3	53	7.53	6.6
1.134	.91	Elanor Comm Prop	.95	-1	768	9.78	6.0
2.30	1.49	Elanor Investors Gp	1.69	-4.5	71	6.76	270.3
15.32	9.47▼	Elders	9.52	-1	8136	5.88	9.2
3.38	.43	Electro Optic Sys	.58	+1	1729	-	27.7
.069	.019	Elixinol Wellness	.026	-	3362	-	-
4.85	2.05	ELMO Software	4.84	+1	756	-	-
.54	.29	Elsight	.315	-.5	503	-	-
13.10	10.00	Embelton	10.00	-	5	3.50	22.3
.98	.65	Emeco Hldgs	.76	-1.5	2045	3.23	6.5
3.32	.405	EML Payments	.65	-1	17680	-	88.5
2.70	1.235	EMvision Medical	1.66	+1.5	119	-	-
.365	.16	Emyria	.31	+12	175933	-	-
8.40	6.19	Endeavour Gp	6.93	+12	56277	2.97	24.7
.046	.012	Eneco Refresh	.016	-.2	1511	-	-
7.654	4.25	Energy One	4.37	-3	183	1.36	33.2
.097	.05	Energy Tech	.055	+.5	656	-	.2
4.05	2.53	Enero Gp	3.02	-6	104	4.06	10.9
.595	.40	Engenco	.435	-1	52	4.49	24.8
.30	.20	Ensurance	.23	-1.5	200	-	71.9
.035	.009	Entyr	.021	-	89159	-	-
.043	.011	Environ Clean Tech	.013	+.2	57849	-	-
.205	.11	Envirosuite	.125	+.5	3011	-	-
.115	.022	EP&T Global	.029	-	-	-	-
.07	.019	Epsilon Healthcare	.025	+.2	1038	-	-
29.189	24.002	EQT Hldgs	24.84	+22	614	3.92	21.6
.185	.031	Equity Story Gp	.034	-.2	1450	-	-
4.33	.80	EROAD	.81	-2	14	-	185.2
2.43	1.88	Estia Health	2.00	-3	2857	1.16	169.5
263.45	22.74	ETF Metal Sec Au	25.06	-12	1405	-	-
.59	.26	Etherstack	.53	-2	81	-	23.0
1.23	1.00	Eumundi Gp	1.175	+4.5	8	6.19	6.8
.682	.37	Eureka Gp	.445	+1	2080	2.78	13.1
2.213	1.07	Euroz Hartleys	1.135	+.5	3794	11.26	4.5
.003	.001	Eve Health Gp	.001	-	19000	-	-
15.85	12.22	Event Hospitality	14.26	-17	871	1.74	43.9
.845	.465	Evolve Edu Gp	.535	+.5	948	-	137.0
.21	.14	EVZ	.195	+1	765	-	22.2
.44	.058	Exopharm	.063	-	3	-	-
.35	.175	Experience Co	.293	+.75	1728	4.00	-
.48	.27	EZZ Life Science	.36	-	305	1.25	11.7
.51	.225	**Family Zone Cyber**	.255	-.5	2386	-	-
.228	.07	Farm Pride Foods	.086	+.6	383	-	-
.055	.016	Fatfish Gp	.021	-	1452	-	25.2
.057	.017	FBR	.037	-	17317	-	-
.385	.10	Felix Gp Hldgs	.13	+1	3630	-	-
7.14	3.52	FFI Hldgs	4.15	+10	7	2.41	36.8
8.70	5.78	Fiducian Gp	6.95	-11	9	4.21	16.7
.195	.086	Field Solutions	.086	-	150	-	57.5
.079	.007	Fiji Kava	.009	-	32907	-	6.7
.825	.618	Finbar Gp	.655	-3.5	702	5.80	17.2
.71	.30	Findi	.62	+4	472	-	31.8
4.06	1.20	FINEOS Corp Hldg	2.15	+15	2236	-	-
.407	.233	Finexia Financial	.37	-2.5	-	-	3.7
.057	.018	FinTech Chain	.024	-.1	35	-	45.9
.59	.21	Firebrick Pharma	.22	-	709	-	-
.205	.097	First Graphene	.098	-.1	6298	-	-
.085	.039	Firstwave Cloud Tech	.059	-.2	145	-	-
28.89	16.11	Fisher & Paykel Hlth	24.27	-7	2366	1.51	61.7
2.33	1.255	Fleetwood	1.385	-4	68	1.40	12.7
6.49	4.20	Fletcher Building	4.85	-18	3719	7.19	11.0
.059	.027	Flexiroam	.033	-.2	276	-	-
23.38	13.86	Flight Centre Travel	18.00	+24	21010	6.69	7.1
.29	.15	Fluence Corp	.21	-1.5	3247	-	-
3.46	2.46	Fonterra S/H Fund	3.05	+9	18	5.11	7.9
.189	.023	Forbidden Foods	.025	-.15	4373	-	-
.28	.17	FOS Capital	.185	-	80	2.70	24.3
.57	.208	Freelancer	.245	-.5	1528	-	-
1.42	.62	Frontier Digital	.87	-1	2242	-	94.3
.02	.007	Frugl Gp	.008	-	110	-	-
1.25	.973	FSA Gp	1.035	-3	540	6.57	7.8
.047	.023	Future First Tech	.024	-	1	-	21.6
1.33	.903	**G8 Education**	1.22	-2	21280	3.23	36.4
.36	.275	Gale Pacific	.30	-1	1308	6.45	12.0
1.75	1.245	Garda Property Gp	1.445	-.5	1180	4.97	2.3
1.14	.715	GDI Property Gp	.84	-2	7749	7.41	6.8
.435	.036	Gefen Intl A.I	.044	-.3	3975	-	-
1.79	1.10	Generation Dev Gp	1.34	+2	59	1.49	128.2
2.75	2.17	Genesis Energy	2.56	-7	44	5.85	13.6
1.40	.63	Genetic Signatures	.80	-	290	-	37.9
.006	.002	Genetic Technologies	.005	-.2	742482	-	-
.24	.105	Genex Power	.155	+.5	1392	-	-
2.84	1.125	Gentrack Gp	2.49	+7	168	2.13	51.5
1.385	.848	GenusPlus Gp	.96	-	20	1.88	11.5
.53	.26	GLG Corp	.37	+4	52	5.90	3.8
1.785	1.05	Global Data Centre	1.26	-	276	.81	158.7
.44	.175	Global Health	.185	-.5	37	-	43.5
6.37	2.80	Globe Intl	3.30	-3	2	9.61	7.4
.89	.64	Good Drinks Aust	.675	+2	264	-	42.2
25.24	15.57	Goodman Gp	20.43	-52	31251	1.43	11.7
3.15	2.45	Gowing Bros	2.93	+5	98	2.05	14.3
5.27	3.68	GPT Gp	4.66	-10	55042	5.25	7.6
1.77	1.123	GQG Partners	1.54	-.5	7260	5.36	10.7
2.48	1.665	GR Engineering	2.14	-4	549	8.72	10.5
10.86	7.14	GrainCorp	7.48	+2	4701	3.49	4.5
.032	.014	Gratifii	.015	-.1	36501	-	294.1
.045	.026	Greenhy2	.026	-	1999	-	91.7
4.48	2.94	Growthpoint Property	3.45	-5	8496	6.03	5.9
.585	.36	GTN	.57	-1.5	1268	2.22	45.0
13.165	6.74	GUD Hldgs	8.54	+9	2151	4.62	37.2
2.63	1.76	GWA Gp	2.17	-2	1440	6.85	16.6
.135	.026	**Halo Food Co.**	.028	-	9576	-	-
1.185	.16	Halo Tech Hldgs	.165	-	9	-	-
.34	.235	Hancock & Gore	.285	-2	135	4.92	11.7
6.10	4.32	Hansen Technologies	5.09	-	702	2.36	24.7
.09	.034	Happy Valley	.06	-.9	1986	-	-
1.60	.40	Harmoney	.625	-	55	-	-
.074	.015	Harris Technology	.02	-	63	-	6.7
.23	.058	Harvest Tech Gp	.091	-.05	2542	-	-
5.74	3.53	Harvey Norman	4.21	-20	49927	8.50	6.8
4.68	2.78	Healius	3.07	-7	44082	5.10	6.3
.072	.007	Health House Intl	.012	+.4	7119	-	-
.20	.05	Health Plant Protein	.052	-	1359	-	9.6
2.14	1.365	HealthCo Wellness	1.69	+1	9094	4.91	11.0
2.235	1.02	Healthia	1.40	+3	431	1.46	30.4
2.29	1.45	Heartland Gp	1.675	+.5	1	6.50	11.4
3.19	2.03	Helia Gp	2.77	-	3844	8.66	7.5
2.87	1.30	Helloworld Travel	2.06	+7.5	9755	5.04	6.3
.24	.086	HeraMED	.145	-.5	280	-	-
.415	.011	Hexima	.017	-.1	9464	-	-
.13	.04	Hills	.04	-.2	9136	-	-
3.03	.875	hipages Gp	.958	-.75	300	-	-
.081	.037	Hiremii	.057	-.3	847	-	-
2.25	1.74	HiTech Gp Aust	2.10	-	2	5.24	19.6
.055	.012	HitIQ	.03	-.1	1092	-	-
.044	.019▼	Holista Colltech	.02	-.3	5480	-	-
7.52	4.09	Home Consortium	5.02	-13	3396	2.33	19.7
1.565	1.105	HomeCo Daily Needs	1.33	-2	56242	6.19	4.8
4.14	2.82	Hotel Prop Inv	3.62	-10	1415	5.24	3.3
.015	.008	HSC Technology	.008	-	17988	-	-
2.14	.955	HT&E	1.22	+2	6007	7.42	11.7
29.84	17.65	HUB24	26.73	-10	1257	.75	137.0
.074	.022	Hubify	.035	-	-	-	45.0
.335	.24	Hudson Investment	.245	+.5	50	-	8.0
.925	.40	Humm Gp	.60	-3.5	3674	4.88	6.7
.105	.057	Hutchison Telecomms	.059	-	1500	-	15.9
.108	.048	Hydrix	.06	-	1050	-	-
.365	.016	**I Synergy Gp**	.02	-.2	318	2.22	-
.185	.048	iCandy Interactive	.053	-	10039	-	1428.6
.072	.017	iCetana	.034	+.3	5000	-	-
.094	.03▼	identitii	.03	-	1239	-	-
32.14	20.53	IDP Education	31.46	-66	5132	.84	87.0
.25	.074	IDT Aust	.077	+.1	2386	-	14.5
.26	.061	Ignite	.074	+.4	565	-	53.8
.95▲	.52	ikeGPS Gp	.95	+3	227	-	-
.071	.02	Imagion Biosys	.026	+.4	301613	-	-
1.054	.40	ImExHS	.425	-1.5	5	-	-
.135	.07	Immuron	.081	+.3	635	-	-
.45	.235	Immutep	.275	-1	5251	-	-
.195	.049	ImpediMed	.059	+.1	7695	-	-
1.52	1.40	Imperial Pacific	1.455	+.5	12	4.30	9.7
.91	.105	Imricor Med Sys	.19	-1	2270	-	-
.333	.13	Imugene	.135	-.5	232495	-	-
.708	.15	Incannex Health	.20	+2	93611	-	-
.02	.004	IncentiaPay	.005	-.1	2673	-	-
4.17	2.90	Incitec Pivot	3.53	+11	128300	7.89	6.6
.265	.125	Income Asset Mgt	.145	-.5	513	-	-
1.775	1.06	Infomedia	1.195	-1.5	2974	4.63	55.6
8.64	6.63	Infratil	8.19	+2	1	2.09	140.8
5.65	3.395	Ingenia Gp	4.67	-20	4401	2.26	18.4
3.64	2.31	Inghams Gp	2.91	-3	3483	2.38	31.3
.13	.051	InhaleRx	.055	-.5	442	-	-
.06	.04	Innlanz	.038	-.2	13	-	-
1.115	.385	INOVIQ	.625	-1.5	536	-	-
3.97	2.55	Insignia Fin	3.55	+2	10569	6.69	84.0
5.10	4.02	Insurance Aust Gp	4.60	-13	137622	2.33	35.5
4.28	2.38	Integral Diagnostics	3.17	-6	1342	2.17	46.7
.98	.318	Integrated Research	.62	+1	296	2.31	68.5
.092	.019	InteliCare Hldgs	.021	+.1	2500	-	-
.358	.055	Intelligent Monitor	.145	-	2271	-	-
.185	.05	intelliHR	.105	-	1512	-	-
.12	.07	Inventis	.073	+.3	-	-	16.6
.395	.16	InvestSMART	.295	+1.5	58	-	1250.0
.75	.435	Invex Therapeutics	.52	-2	2134	-	-
.019	.008	Invion	.008	-	5945	-	-
13.19	9.72	InvoCare	11.26	-19	1528	2.18	84.0
.50	.20	IODM	.32	-1	776	-	-
.23	.038	IOUpay	.066	-	3483	-	-
3.29	1.34	IPD Gp	2.90	-	483	1.28	20.3
10.42	6.86	IPH	8.45	-5	3869	3.59	35.5
12.24	8.43	Iress	9.50	-19	3032	4.75	29.0
.29	.115	Island Pharma	.13	-2	1580	-	-
2.67	1.38	IVE Gp	2.45	-2	764	6.68	13.0
.127	.026▼	IXUP	.027	-.3	8646	-	-
50.98	25.84	**James Hardie Ind**	33.63	-93	16154	2.11	21.3
1.28	.34	Janison Education	.57	-2	641	-	-
51.65	30.995	Janus Henderson	42.21	+75	959	5.46	13.3
.024	.01	Jatcorp	.016	-	12245	-	.1
.052	.016	Jaxsta	.042	-	7031	-	-
.019	.004	Jayex Tech	.011	-.1	3778	-	-
.23	.13	Jayride Gp	.16	+1	197	-	-
56.85	36.69	JB Hi-Fi	47.81	-29	6372	6.57	10.1
.07	.047	JCurve Solutions	.056	+.1	1620	-	46.9
9.37	4.81	Johns Lyng Gp	5.79	-1	5401	.98	56.2
4.04	2.26	Joyce Corp	3.61	-2	170	4.96	11.3
2.10	1.045	Judo Capital Hldgs	1.45	-1.5	4093	-	-
19.94	11.42	Jumbo Interactive	15.00	-19	558	2.80	30.8
2.20	1.60	**K&S Corp**	2.04	+6	92	4.66	15.2
.081	.04	K2 Asset Mgt	.05	-	199	-	72.5
.265	.145	K2fly	.17	+.5	-	-	-
1.185	.025	Kaddy	.04	+.3	5895	-	-
1.14	.07	Kazia Therapeutics	.13	+1	81	-	-
5.51	3.48	Kelly Partners Gp	4.30	-	293	1.34	43.3
8.07	4.32	Kelsian Gp	5.89	-19	1533	2.71	25.1
.10	.053	Keybridge Capital	.055	-	1140	7.04	2.9
2.86	.52	Keypath Education	.58	-1.5	134	-	-
1.73	1.074	Kiland	1.54	-	20	-	-
.94	.76	Kina Securities	.775	+1	1332	13.71	7.5
.138	.076	Kinatico	.09	+.1	647	-	-
1.243	.735▼	Kip McGrath Edu Ctr	.75	-2	728	2.60	22.2
.72	.16	Kleos Space	.195	-	230	-	-
1.33	.85	KMD Brands	.965	-	512	5.23	21.2
.14	.058	Knosys	.098	-	250	-	-
6.77	2.66	Kogan.com	4.37	-22	4987	3.25	169.5
8.32	6.63	Korvest	8.11	+1	122	7.41	10.7
.017	.006	**Land Homes Gp**	.006	-	32	-	-
4.69	1.83	Lark Distilling Co	2.05	-6	602	-	61.3
.99	.64	Laserbond	.84	-	202	1.67	25.4
2.15	1.055	Latitude Gp Hldgs	1.395	-.5	321	11.21	14.7
.546	.053	LawFinance	.053	-	9	-	-
.18	.03	Laybuy Gp Hldgs	.035	+.1	7493	-	-
.106	.049	LBT Innovations	.069	-	1240	-	-
.042	.01	Leaf Res	.017	-	23897	-	-
12.29	7.11	Lendlease Gp	8.67	-30	24463	1.78	34.4
2.33	1.55	LGI	2.25	+2	127	-	-
1.23	.31	Li-S Energy	.37	-.5	1206	-	-
5.50	3.29	Liberty Financial	3.93	+8	1020	12.73	5.6
8.44	2.41	Life360 Inc	5.75	-11	2808	-	7.4
20.32	11.34	Lifestyle Commun	19.53	-40	1446	.53	23.4
.45	.095	Limeade	.27	-1	124	-	-
.79	.37	Lindsay Aust	.70	-.5	972	4.54	11.0
.023	.003	Linius Tech	.003	-	65500	-	-
5.46	1.80	Link Admin Hldg	2.04	+5.5	21855	1.51	14.7
.58	.165	Little Green Pharma	.265	+8	56305	-	1.7
.395	.14	Live Verdure	.165	-2	463	-	-
.411	.15	LiveHire	.16	-	407	-	-
.15	.025	Livetiles	.029	-	6180	-	-
.018	.005	Living Cell Tech	.011	-	835	-	-
.125	.049	Locality Planning	.053	+.4	2886	-	1.2
.60	.50	London City Equities	.60	+5	155	2.33	10.1
.12	.05	Love Gp Global	.05	-	1150	-	10.0
26.99	12.35	Lovisa Hldgs	24.74	-105	2808	2.87	47.6
.97	.025	Lumos Diagnostics	.033	+.3	8616	-	-
7.42	4.75	Lycopodium	7.20	+15	226	7.66	10.3
3.29	1.45	Lynch Gp	1.765	-1	20	6.76	11.1
.024	.006	**M8 Sustainable**	.009	-	1	-	-
8.95	3.65	MA Financial Gp	5.36	+8	3490	3.41	22.1
5.18	2.20	MAAS Gp Hldgs	2.86	-3	1508	1.90	13.6
.845	.445	Mach7 Tech	.74	+.5	1331	-	1428.6
73.80	52.67	Macq Telecom Gp	54.04	+4	68	1.07	138.9
211.46	149.51	Macquarie Gp	188.97	-146	6203	3.41	15.0
.205	.115	Mad Paws Hldgs	.17	-.5	337	-	-
4.52	2.06	Mader Gp	4.47	+13	1434	.92	31.9
19.564	8.65	Magellan Fin Gp	9.23	-	19125	19.39	4.5
.63	.185	Maggie Beer Hldgs	.20	-1	1693	4.76	10.1
.80	.13	Marley Spoon	.205	-1	11708	-	-
.315	.135	Matrix C & E	.29	+1.5	7392	-	-
2.70	1.745	MaxiPARTS	1.98	-	17	1.26	16.5
1.49	.96	Mayfield Childcr	1.183	-.75	78	4.00	16.0
.45	.25	Mayfield Gp	.285	-	100	-	74.1
8.50	2.82▼	Mayne Pharma	2.83	-19	8256	-	-
.665	.30	McGrath	.40	-.5	46	4.94	5.8
14.96	8.89	McMillan Shakespr	13.43	-37	1606	7.83	15.2
1.02	.64	McPherson's	.68	-	118	7.35	294.1
.065	.035	MCS Services	.043	-	1	-	7.7
.375	.13	MedAdvisor	.265	-.5	1444	-	-
3.785	2.73	Medibank Private	2.97	+3	62354	4.56	20.6
.005	.001	Medibio	.001	-	61668	-	-
4.586	1.373	Medical Dev Intl	1.46	-2.5	523	.34	1000.0
22.50	6.45	Medlab Clinical	7.00	+40	34	-	-
14.81	4.70	Megaport	5.94	-3	12643	-	-
.076	.012	Memphasys	.015	-	3952	-	-
.098	.051	Merchant House Intl	.058	-.2	230	-	.5
6.12	4.52	Mercury NZ	5.72	-18	19	3.06	18.9
5.03	3.90	Meridian Energy	4.84	-2	44	3.14	30.5
1.29	.61	Mesoblast	1.135	+9	31528	-	2.2
.795	.14▼	Metarock Gp	.14	-	2012	12.16	104.2
4.90	3.77	Metcash	4.15	+1	28494	5.43	16.5
.38	.17	Metro Perform Glass	.18	-1.5	35	-	38.5
.032	.009	MGC Pharmaceuticals	.01	-.1	512	-	-
1.46	.90	Michael Hill Intl	1.025	-2.5	1584	7.14	8.8
.255	.11	Micro-X	.145	-.5	1813	-	-
.45	.135	Microba Life Sciences	.37	+2.5	7165	-	-
.945	.53	Microequities	.67	-4	354	11.27	6.6
1.21	.735	Midway	.99	-2	32	7.26	6.0
.355	.125	Mighty Craft	.20	-1	1976	-	-
.16	.023	Mighty Kingdom	.035	-.2	5082	-	-
.575	.27	Millennium Srvc Gp	.375	-1.5	97	-	8.2
2.67	1.865	Mirvac Gp	2.41	-3	158175	4.22	10.6
1.005	.435	MMA Offshore	.97	-	2559	-	10.4
.029	.007	Moab Minerals	.009	-.1	8034	-	22.0
.058	.005	Mobilicom	.009	-	4446	-	-
.006	.001	Mogul Games Gp	.002	+.05	211997	-	-
14.64	8.88	Monadelphous Gp	13.61	+9	2194	3.62	24.8
1.265	.87	Monash IVF Gp	1.065	+1.5	5665	4.19	22.3
2.05	.21	MoneyMe	.325	-2.5	8703	-	188.7
.77	.17	Mosaic Brands	.27	-	390	6.79	7.7
.083	.028	Motio	.049	+.4	600	-	-
3.29	1.83	Motorcycle Hldg	2.22	-9	1059	8.66	6.2
1.28	1.00	Move Logistics Gp	1.02	-1	32	-	-
.045	.016	MPower Gp	.022	-	45	-	-
.295	.125	MSL Solutions	.293	-	1532	-	138.9
.068	.01	Multistack Intl	.01	-	1426	-	-
.30	.135	Murray Cod Aust	.15	-	448	-	181.8
.30	.275	Mustera Property Gp	.275	-1	92	.77	-
1.08	.35	My Food Bag Gp	.39	-	240	16.46	6.7
.225	.025	My Foodie Box	.035	+.1	-	-	-
.145	.02▼	My Rewards Intl	.022	-1	5720	-	-
1.00	.295	Myer Hldgs	.90	-3.5	24743	4.28	15.8
5.35	3.75	MyState	4.00	-2	1491	5.97	13.2
.32	.16	**N1 Hldgs**	.165	-1	45	1.39	12.7
.577	.362	Namoi Cotton	.46	+1	12236	-	29.4
.125	.051	Nanollose	.06	-	125	-	-
5.29	2.87	Nanosonics	4.77	-10	3651	-	400.0
.037	.008	Nanoveu	.017	+.5	24029	-	-
33.75	25.43	National Aust Bank	31.88	-2	25376	4.73	15.2
1.615	.535	National Tyre&Wheel	.615	-	61	7.32	8.3
2.78	2.03	Natl Storage REIT	2.38	-5	13423	4.49	4.7
1.90	1.055	Navigator Glb Inv	1.255	-2.5	2263	9.40	6.0
.12	.049	Netccentric	.09	+.8	2211	-	40.0
.065	.014	NetLinkz	.022	+.2	30686	-	-
16.07	10.35	Netwealth Gp	13.46	-15	1776	1.47	59.9
9.18	3.33	Neuren Pharma	7.38	-33	4555	-	-
.375	.07	NeuroScientific	.098	-.1	11	-	-
.13	.044	Neurotech Intl	.066	-.1	1649	-	-
1.823	1.205	Newmark Prop	1.43	-1.75	280	6.78	5.6
33.50	21.89	News Corp	30.40	+13	2752	.97	27.4
.162	.043	Nexion Gp	.043	-	5	-	-
1.12	.545	Next Science	.66	+3.5	1022	-	-
12.20	8.30	NEXTDC	10.30	-4	7150	-	526.3
1.355	.465	Nexted Gp	1.325	+1	2540	-	232.6
8.195	6.15	NIB Hldgs	7.86	+12	5107	2.84	26.2
14.59	7.06	Nick Scali	10.80	-162	28575	5.64	13.4
.16	.09▼	Nightingale Intellig	.092	-.8	3761	-	-
3.02	1.74	Nine Entertainment	2.18	+1	72409	6.45	12.8
2.28	1.075	Nitro Software	2.15	+1	1728	-	-
2.45	1.50	NobleOak Life	1.80	+2	9553	-	92.6
.032	.01	Norwood Systems	.027	-.3	3276	-	-
.36	.10	Noumi	.155	+1.5	1799	1.08	62.9
.32	.18	Nova Eye Medical	.28	+4	425	-	-
.355	.15	Novatti Gp	.195	+.5	550	-	-
7.40	1.39	NOVONIX	1.805	-6.5	22805	-	-
.435	.12	Noxopharm	.125	+.5	1278	-	32.9
3.15	1.615	NRW Hldgs	2.90	-6	7650	4.22	13.8
.081	.022	NSX	.054	-.5	2333	-	-
.51	.165	Nuchev	.21	-.5	96	-	-
6.93	4.75	Nufarm	5.83	+12	7634	1.75	20.3
7.20	.16	Nuheara	.205	-.5	3115	-	-
1.685	.52	Nuix	.905	+.5	3692	-	14.8
.18	.038	Nutritional Growth	.039	-.1	1709	-	-
.22	.10	Nyrada Inc	.14	-1	1528	-	-
.008	.003	NZ Coastal Seafoods	.004	+.05	1297	-	.8
.534	.165	NZ King Salmon	.185	-	282	1.37	11.3
1.66	.975	NZME	1.05	-.5	139	7.74	6.3
.34	.072	**Oakridge Intl**	.12	+.5	-	-	3.5
19.40	12.50	Objective Corp	13.85	+26	397	.44	66.7
1.10	.72	Oceania Healthcare	.875	+4.5	-	3.93	18.2
2.91	1.88	OFX Gp	1.98	-4	4364	.35	18.0
.076	.046	Oldfields Hldgs	.076	-	38	-	-
.23	.10	Olympio Metals	.155	-1.5	596	-	.4
4.93	2.86	Omni Bridgeway	3.78	-13	2429	1.17	57.5
.08	.033	Oncosil Medical	.041	-.2	3395	-	-
.025	.01	One Click Gp	.012	-.1	8329	-	-
.275	.084	Oneview Healthcare	.125	+.5	40	-	-
1.795	1.04	oOh!media	1.57	+1.5	6941	1.61	172.4
.094	.022	OpenLearning	.022	-.3	1167	-	833.3
.305	.055	Openn Negotiation	.061	-.4	136	-	-
1.395	.79	Opthea	.995	-1.5	1966	-	-
.19	.056	Optima Tech Gp	.059	-	1354	-	-
.175	.091	Optiscan Imaging	.115	-	830	-	-
.101	.028	Opyl	.029	+.1	743	-	3.0
.38	.145	Orbital Corp	.19	-1	267	-	102.0
.16	.054	Orcoda	.155	+.5	726	-	125.0
.14	.062	Orexplore Tech	.092	-.3	2121	-	-
17.22	12.35	Orica	15.16	+19	5041	2.34	43.1
4.02	2.83	Orora	3.03	-1	19809	5.43	14.2
.515	.30	Orthocell	.405	-	723	-	-
.305	.10	Osteopore	.12	-	43	-	-
1.06	.365	**Pac Edge**	.465	+.5	-	-	-
9.54	6.27	Pacific Current	7.45	-3	77	5.08	22.0
2.79	1.24	Pacific Smiles	1.435	+.5	240	1.19	416.7
2.74	1.00	Pact Gp Hldgs	1.03	-5	5066	4.63	30.9
.05	.026	PainChek	.028	-.1	6507	-	-
.07	.031▼	Papyrus Aust	.033	-.4	2199	-	45.0
2.154	.849	Paradigm Bio	1.455	-4.5	1833	-	-
.49	.255	Paragon Care	.305	-1	2738	3.81	22.0
.061	.019	Parkd	.019	-	360	-	-
.034	.018	Patrys	.029	-.2	66398	-	-
.182	.035	Payright	.071	-	325	-	-
1.205	.86	Peet	1.15	+2	836	5.53	10.4
2.30	1.53	Pengana Capital	1.77	+4	141	11.56	8.4
.47	.35	Pental	.36	-	354	8.33	9.5
.525	.165	Pentanet	.165	-.5	1255	-	-
4.40	2.49	Peoplein	3.22	-10	2472	3.92	18.3
2.33	1.105	Pepper Money	1.545	-1.5	734	9.23	4.8
.021	.007	Peppermint Innov	.007	-	7014	-	-
37.33	23.07	Perpetual	26.40	-55	5169	7.76	15.3
3.30	1.95	Peter Warren Auto	2.73	-2	297	8.00	8.3
19.86	10.87	PEXA Gp	13.44	+37	5707	-	106.4
.105	.06	PharmAust	.082	-.2	1075	-	-
.11	.054	Pharmaxis	.06	+.1	2988	-	-
.115	.029	Phoslock Env Tec	.055	-.9	11163	-	57.5
11.80	6.49	Pinnacle Inv Mgt	10.08	-21	6149	3.40	30.2
.60	.25	Pioneer Credit	.34	+2	1336	13.26	25.5
.61	.051	Pivotal Systems	.052	-.3	1366	-	.4
2.69	1.553	Platinum Asset	2.21	-	12397	7.69	12.7
1.42	.48	PlaySide Studios	.495	-1	1973	-	41.0
1.278	.37	Plenti Gp	.545	-	182	-	25.1
.38	.17	Pointerra	.18	-.5	2020	-	-
5.145	1.215	PointsBet Hldgs	1.58	-3.5	10296	-	-
2.59▲	.835	Polynovo	2.56	-	14110	-	2500.0
.11	.047	Powerhouse Ven	.07	-	385	-	-
7.91	1.20	PPK Gp	1.23	+1	595	.09	243.9
1.30	.445	Praemium	.77	-.5	5030	-	105.3
30.23	19.06	Premier Investments	27.11	-64	1988	3.60	15.6
.255	.11▼	Prescient Therapeut	.11	-.5	10040	-	-
.25	.155	Prime Financial	.245	+.5	-	4.49	12.8
68.21▲	36.54	Pro Medicus	67.19	-145	1360	.32	161.3
1.062	.198	Pro-Pac Packaging	.325	-1.5	50	6.74	20.0
2.42	2.02	Probiotec	2.21	-2	26	2.47	13.0
5.20	4.10	Propel Funeral	4.26	-4	58	2.85	30.3
.08	.027	Propell Hldgs	.045	-	229	-	-
1.235	.585	Prophecy Intl	.60	-	1105	.92	-
.60	.21	Proptech Gp	.595	-	264	-	-
1.085	.53	Prospa Gp	.61	-.5	504	-	14.9
1.35	.715	Proteomics Int Lab	1.13	-1	475	-	-
5.30	3.90	PSC Insurance	4.70	-	487	2.55	60.2
.498	.125	Pure Foods Tas	.165	-.5	445	-	27.4
.066	.026	Pureprofile	.038	-.2	14997	-	12.9
.94	.195	Purifloh	.22	+1	45	-	-
1.34	.818	Pushpay Hldgs	1.175	+.5	1715	-	41.3
12.53	5.61	PWR Hldgs	11.50	-52	3305	1.00	57.8
.13	.058	PYC Therapeutics	.071	+.4	19220	-	-
6.62	4.21	**Qantas Airways**	6.49	+7	49573	3.09	7.1
1.375	.875	Qantm Intellectual	.93	-1.5	514	6.88	17.8
13.95	10.00	QBE Insurance Gp	13.28	+8	22836	2.12	30.3
2.94	1.355	Qualitas	2.86	-4	310	1.38	57.1
3.16	2.43	Qube Hldgs	3.05	-3	26709	2.05	43.3
.07	.024	Queste Comms	.024	-	155	-	.5
.165	.056	QuickFee	.081	+1.1	3168	-	-
.77	.36	Quickstep Hldgs	.505	-.5	311	-	47.2
.18	.054	**R3D Res**	.062	-.1	3992	-	-
3.14	1.45	Race Oncology	1.94	-3	792	-	-
.348	.10	Radius Res Care	.135	-	1490	-	-
1.55	.39	Raiz Invest	.53	+2	204	-	-
.98	.66	RAM Essential Srvc	.87	+2	11037	6.84	5.2
84.58	55.73	Ramsay Health Care	66.47	-69	2265	1.44	57.8
.033	.033	Raptis Gp	.033	-	550	-	54.9
.09	.045	Rare Foods Aust	.087	+.1	113	-	21.1
1.30	.40	RAS Tech Hldgs	.50	-	218	-	-
144.50	93.77	REA Gp	124.45	-222	2255	1.29	43.5
.265	.095	ReadCloud	.115	+1.5	1150	-	-
4.28	2.50	ReadyTech	3.50	-5	78	-	42.9
1.27	.55	Recce Pharmaceutical	.625	-.5	2008	-	-
1.43	.555	Reckon	.60	-	467	8.33	8.6
.096	.03	Rectifier Technolog	.042	-.05	2666	2.30	105.3
1.98	.44	Redbubble	.495	-3	3376	-	15.8
.025	.011	Redcastle Res	.012	-	15400	-	-
.58	.205	Redflow	.22	+2	5458	-	-
20.94	12.93	Reece	17.14	-18	3467	1.30	28.4
3.48	2.85	Reef Casino Trust	3.20	-8	159	10.84	10.8
4.723	2.425	Regal Partners	3.64	-1	521	12.35	133.3
.078	.014▼	Regeneus	.014	-.5	15180	-	9.4
3.16	2.265	Region Gp	2.77	-3	23384	5.54	6.4
1.595	1.005	Regional Express	1.545	-	150	5.56	8.1
2.47	1.65	Regis Healthcare	1.72	+1	560	3.42	116.3
5.33	2.80	Reliance Worldwide	3.55	-9	23291	3.69	14.9
.525	.13	RemSense Tech	.13	-.5	67	-	-
.06	.025	Rent.com.au	.034	-	519	-	-
2.05	.875	Resimac Gp	1.335	+.5	679	6.02	5.3
36.10	27.37	ResMed Inc	32.03	-28	6945	.77	42.0
.175	.048	Resonance Health	.055	-.3	594	-	100.0
.069	.032	Respiri	.05	-	3598	-	-
12.53	5.29	Restaurant Brands NZ	5.90	+30	59	5.03	24.8
.11	.038	Retail Food Gp	.10	-	50068	-	43.7
1.05	.10	Revasum	.15	-1	191	-	-
.017	.008	Rewardle Hldgs	.015	+.1	666	-	-
.268	.095▼	Rhinomed	.095	-	5	-	-
1.80	.925	Rhythm Biosciences	.98	-3	1726	-	-
7.93	6.31	Ricegrowers	6.62	+5	7	5.33	8.4
2.26	1.36	Ridley Corp	1.95	+5.5	13871	3.91	14.8
.20	.032	RightCrowd	.035	-.5	1000	-	-
.25	.11	RLF AgTech	.165	+.5	5	-	-
.195	.083	RMA Global	.09	-.2	2000	-	-
.185	.074	RocketBoots	.13	-	45	-	-
.018	.008	RooLife Gp	.009	-.1	9899	-	-
.008	.001	Roots Sustainable	.002	-	7500	-	-
.335	.15	RPM Automotive Gp	.16	+.5	-	-	8.3
1.96	1.415	RPMGlobal Hldgs	1.73	+2.5	884	-	-
1.555	.75▼	Rubicon Water	.80	+5	70	-	-
3.13	2.25	Rural Funds Gp	2.49	-7	2370	4.58	4.6
.20	.12	**Saferoads Hldgs**	.135	+.5	27	4.08	76.3
1.395	.855	Saunders Intl	1.195	-5.5	211	1.60	20.6
3.24	2.42	Scentre Gp	3.07	-3	101298	4.76	16.7
21.61	16.00	Schaffer Corp	18.85	-5	21	4.77	9.9
.48	.006	Schrole Gp	.39	-	4	-	-
.605	.165	SciDev	.43	-	128	-	52.6
.049	.02	Scout Security	.024	-.2	1514	-	-
.94	.73	SDI	.915	-	91	3.55	14.9
.033	.007	Seafarms Gp	.009	-.1	61088	-	-
.295	.086▼	SECOS Gp	.086	-.4	53	-	41.2
.45	.085	Security Matters	.18	-2	1381	-	-
31.78	18.78	SEEK	25.57	-6	12616	1.72	38.5
6.62	3.80	Select Harvests	3.98	-2	1429	.50	78.1
.253	.135	SelfWealth	.18	-	410	-	-
.053	.023	Senetas Corp	.031	-	3240	.73	-
.138	.046	Sensen Networks	.063	-	1564	-	-
.76	.465	Sequoia Fin Gp	.52	-1	847	2.64	12.5
5.23	2.02	Serko	2.46	-6	115	-	222.2
4.15	2.91	Servcorp	3.11	+1	98	6.45	10.7
1.08	.615	Service Stream	.615	-1.5	4905	1.59	20.1
23.285	15.82	Seven Gp Hldgs	22.44	-27	2207	2.03	21.0
.815	.335	Seven West Media	.47	-	3443	-	3.6
2.53	.185	Sezzle Inc	.65	-2	4599	-	-
2.96	1.63	SG Fleet Gp	2.07	-2	428	7.24	11.6
2.25	1.50	SHAPE Aust	1.55	-	-	3.87	18.5
1.26▲	.94	Shaver Shop Gp	1.24	-	1189	8.06	9.7
.19	.081	Shekel Brainweigh	.095	-	24	-	-
1.40	.82	Shine Justice	.98	-4	230	5.88	5.8
1.095	.68	Shriro Hldgs	.78	-.25	226	12.78	11.2
8.95	7.00	Sietel	7.00	-40	5	-	16.9
.735	.455	Sigma Health	.68	+.5	11973	2.22	9.9
4.90	1.04	Silex Systems	4.36	-27	6658	-	-
4.00	1.64	SILK Laser Aust	1.74	-2	548	-	14.6
2.68	1.835	Silk Logistics Hldgs	2.28	-6	183	3.63	13.5
.035	.008	Simble Solutions	.01	-.1	14863	-	-
.386	.115	Simonds Gp	.12	-.5	60	-	20.0
22.80	10.97	Sims	15.53	-1	4737	5.86	5.3
.245	.09	Singular Health Gp	.105	+.5	537	-	-
.52	.15▼	Siren Gold	.153	-2.25	4899	-	-
.007	.002	Site Gp Intl	.003	-.1	240	-	-
6.42	2.68	SiteMinder	4.02	-31	2203	-	-
.295	.175	SIV Capital	.205	+.5	301	30.00	172.4
.057	.008	Skin Elements	.018	+.1	2856	-	-
.275	.115	SKS Tech Gp	.18	-.25	55	1.37	6.5
2.70	1.805	Sky Network TV	2.32	-23	319	3.02	6.6
2.90	2.22	SkyCity Entertain	2.35	+1	769	2.66	52.1
.093	.032	Skyfii	.069	-.1	1900	-	-
.695	.505	Slater & Gordon	.565	+3.5	106	-	37.6
.28	.14	Smart Parking	.265	-	732	-	98.0
9.15	4.44	Smartgroup Corp	5.61	-22	5275	6.17	12.0
1.31	.565	Smartpay Hldgs	1.28	+3	872	-	56.8
.355	.24	SOCO	.265	-2.5	1525	-	-
3.51	1.705	Solvar	2.06	+6	403	6.50	8.3
2.11	1.115	SomnoMed	1.25	-4	57	-	137.0
39.00	29.34	Sonic Healthcare	31.14	-70	8329	3.14	10.5
.76	.515	Southern Cross Elect	.695	-1.5	1857	7.04	11.8
2.18	.875	Southern Cross Media	1.185	-3	3296	7.61	9.1
.60	.12	Sovereign Cloud	.13	-1	120	-	-
.155	.024	Spacetalk	.072	-.7	163819	-	12.4
5.095	4.045	Spark New Zealand	4.82	-	3745	5.12	24.2
.063	.025	Spectur	.031	-.3	3477	-	-
.195	.038	Spirit Technology	.064	-.1	5786	-	57.1
.345	.105	Splitit	.19	-1	11063	-	-
.29	.205	Sports Entertain	.225	-2	76	-	17.0
.036	.014	SportsHero	.016	-	713	-	-
.08	.019	Sprintex	.052	-	1780	-	67.6
.745	.46	SRG Global	.74	-	8164	4.05	16.4
.26	.155▼	SSH Gp	.155	-1	841	-	-
.295	.12	Star Combo	.17	+1.5	470	-	23.6
1.08	.49	Starpharma Hldgs	.58	-	581	-	-

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INDUSTRIALS cont'd

52-Week High	52-Week Low	Company Name	Last Sale	+ or -	Vol 100s	Div Yld (%)	P/E Ratio (x)
5.59	4.27	Steadfast Gp	5.36	+11	23085	2.48	29.4
.145	.096	Stealth Global	.12	-.5	1583	-	19.7
12.90	9.32	Steamships Trading	10.48	-2		3.87	9.1
1.36	.205	Step One Clothing	.265	-1.5	533	-	-
4.37	3.16	Stockland	4.08	-11	79057	6.30	7.0
1.60	.80	Straker Translatn	.89	-4	116	-	-
.245	.11	Strategic Elements	.14		926	-	-
.027	.01	Streamplay Studio	.01	-.1	1982	-	2.4
1.20	.315	Structural Monitor	.38	-2	1202	-	-
12.00	8.07	Summerset Gp Hldgs	9.39		17	1.60	5.7
12.915	9.85	Suncorp Gp	12.36	+3	20444	3.24	24.0
2.99	1.66	Sunland Gp	1.77		701	15.25	2.6
13.03	7.98	Super Retail Gp	12.40	-17	6390	5.57	11.9
1.08	.585	Superloop	.745	+1.5	1164	-	-
13.45	8.22	Supply Network	12.80	+10	26	2.52	25.9
.026	.012	Swift Networks	.012	-.1	2000	-	-
1.41	.315	Swoop Hldgs	.335	+.5	280	-	-
6.06	1.345	Symbio Hldgs	2.06	+1	2605	2.44	30.5
.30	.055	Synertec Corp	.29		493	-	-
3.60	2.56	Synlait Milk	3.22	-4	184	-	20.3
1.145	.895	**Tabcorp Hldgs**	1.035	+1	101725	12.68	8.0
.013	.001	TALi Digital	.003		5000	-	-
3.85	2.06	Tamawood	2.45	+6	20	10.04	24.6
.09	.035	TasFoods	.03	-.5	2086	-	-
.41	.125	Task Gp Hldgs	.33	-1	207	-	-
.58	.335	Teaminvest Private Gp	.415	-3.5	200	1.22	28.9
15.14	9.55	Technology One	14.65	+2	5418	1.03	53.5
8.20	3.55	Telix Pharmaceutical	6.70	-8	4737	-	-
4.17	3.615	Telstra Corp	4.14	+1	175974	3.25	29.0
9.37	2.96	Temple & Webster	5.67	+13	4834	-	59.2
.30	.077	Terragen	.07	-1	358	6.34	16.1
.195	.086	Tesserent	.10		61318	-	-1111.1
7.10	3.90	The a2 Milk Company	6.87	-5	10695	-	46.1
.05	.026	The Agency Gp Aust	.035	+2	744	-	9.5
.33	.15	The Environment	.24	+.5	2870	1.97	45.2

Interest Rate Securities

52-Week High	52-Week Low	Day's High	Day's Low	ASX Code	Security Description	Last Sale	Vol 00s	Value '000s	Quotes Buy	Quotes Sell	Face Value	Cpn (%) p.a.	Conv/ Mat. Date
Corporate Bonds													
100.80	91.05	94.00	94.00	MVTHA	MERC INV BVM6WU	94.00	9	88.472	94.00	94.05	100	4.80sa	10/07/26
Floating rate Notes													
102.00	96.00	100.05	100.05	AYUHC	AUS UNITY SFYM3WU	100.05	0	4.402	100.03	100.86	100	5.35q	15/12/24
101.00	88.00	99.51	99.30	AYUHD	AUS UNITY SFYM3WU	99.30	13	130.226	99.30	99.45	100	5.50q	15/12/26
104.50	95.01	101.50	101.00	C2FHA	CENT CAP 2 FYM3WET	101.00	62	873.133	101.20	101.39	100	7.52q	20/04/26
104.00	100.05	102.50	102.50	QUBHA	QUBE HYM3QU	102.50	1	8.918	101.96	102.50	100	7.19q	5/10/23
Convertible Notes													
1.02	0.97	0.98	0.98	CAMG	CLIME CAP COVM3WU	0.98	100	9.851	0.98	0.99	1	5.25q	30/11/25
101.70	96.00	100.00	100.00	CVCG	CVC LTD COYM3WU	100.00	8	119.748	100.10	101.40	100	7.00q	22/06/23
1.47	1.46	1.47	1.47	ECPGA	ECP EMERGE COVM3QUT	1.47	18	2.712	-	1.48	1.43	5.50q	11/04/27
3.00	2.50	2.50	2.50	FSIGA	FLAGSHIP COVM3WUT	2.50	300	75.000	2.50	2.64	2.7	5.50q	1/10/26
3.31	3.00	3.00	3.00	GFLGA	GBL MASTER COVM3QET	3.00	100	30.000	2.86	-	3.1	5.50q	24/11/26
1.15	0.89	1.00	1.00	MOZG	MOSAIC COVM3QET	1.00	23	2.277	1.00	1.40	1	8.00q	30/09/24
101.20	83.60	87.00	86.90	NCCGA	NAOS EMERGE COVM6WU	87.00	18	152.893	86.70	87.50	100	4.50sa	30/09/28
94.98	82.00	94.98	93.54	NFNG	NUFARMFIN COYR6QU	94.98	2	130.567	93.00	94.98	100	7.37sa	15/04/2100
Hybrid Securities													
106.01	97.49	104.03	104.02	AMPPB	AMP NYR3QUT	104.02	5	47.850	104.03	104.21	-	-	-
103.43	101.40	103.00	102.80	AN3PF	ANZBANKGRP NYR6QUT	102.80	49	503.757	102.80	102.99	-	-	-
105.55	104.12	104.59	104.35	AN3PG	ANZBANKGRP NYR3QUT	104.57	58	610.831	104.40	104.60	-	-	-
105.99	104.31	105.29	105.06	AN3PH	ANZBANKGRP NYR3QUT	105.09	84	880.626	104.97	105.09	-	-	-
103.60	102.62	103.00	102.70	AN3PI	ANZBANKGRP NYR3QUT	102.89	137	1408.203	102.80	103.00	-	-	-
102.32	101.50	101.99	101.54	AN3PJ	ANZBANKGRP NYR3QUT	101.70	93	944.922	101.70	102.00	-	-	-
102.98	80.00	89.53	89.50	AYUPA	AUS UNITY NR6QU	89.53	3	24.436	89.52	90.00	-	-	-
105.75	98.25	103.38	103.20	BENPG	BEN ADE BK LPYR3UT	103.30	21	211.720	103.25	103.31	-	-	-
105.98	97.93	104.98	104.50	BENPH	BEN ADE BK NYR3QUT	104.50	17	182.723	104.50	104.79	-	-	-
104.44	99.38	102.20	102.07	BOQPE	BANK QLD NYR3QUT	102.20	14	141.827	102.07	102.20	-	-	-
106.20	99.32	103.70	103.31	BOQPF	BANK QLD NYR3QUT	103.33	22	222.346	103.35	103.50	-	-	-
103.55	100.25	103.55	103.10	BOQPG	BANK QLD NYR3QUT	103.40	49	506.229	103.12	103.40	-	-	-
106.20	99.02	105.17	104.50	CBAPG	CWLTH BANK NYR3QUT	104.60	81	844.477	104.60	104.80	-	-	-
105.66	99.70	104.15	103.35	CBAPH	CWLTH BANK NYR3QUT	103.72	192	1988.126	103.50	103.74	-	-	-
104.30	97.80	103.89	103.65	CBAPI	CWLTH BANK NYR3QUT	103.80	111	1147.756	103.60	103.80	-	-	-
103.00	96.08	102.64	102.36	CBAPJ	CWLTH BANK NYR3QUT	102.55	208	2136.090	102.45	102.60	-	-	-
102.76	93.40	102.66	102.25	CBAPK	CWLTH BANK NYR3QUT	102.66	60	609.567	102.30	102.66	-	-	-
103.95	100.09	103.20	102.61	CBAPL	CWLTH BANK NYR3QUT	102.85	169	1733.695	102.88	102.93	-	-	-
103.70	99.90	102.54	102.19	CGFPB	CHALLENGER NYR3QUT	102.20	24	245.501	102.18	102.49	-	-	-
107.35	101.00	105.19	104.96	CGFPC	CHALLENGER NYR3QUT	105.18	25	260.630	104.98	105.20	-	-	-
10.90	8.50	8.91	8.91	GC1PA	GLENNON CPVM6QU	8.91	15	13.686	9.01	9.75	-	-	-
104.67	100.01	103.45	102.25	IAGPD	INSUR.AUST NYR3QUT	102.54	32	328.645	102.54	103.38	-	-	-
103.00	101.10	102.57	102.25	IAGPE	INSUR.AUST NYR3QUT	102.49	56	569.963	102.35	102.50	-	-	-
101.90	92.60	93.80	93.05	LFSPA	LATGROUP NYR3QUT	93.80	19	177.184	93.50	93.80	-	-	-
109.29	102.06	107.60	107.18	MBLPC	MACQINCOME NYR3QUT	107.21	21	228.895	107.20	107.57	-	-	-
103.90	96.00	102.50	101.90	MBLPD	MACQINCOME NYR3QUT	101.90	107	1086.673	101.85	102.00	-	-	-
105.97	99.70	104.88	104.44	MQGPC	MACQ GROUP NYR3QUT	104.60	73	759.529	104.60	104.69	-	-	-
108.67	100.15	107.19	106.83	MQGPD	MACQ GROUP NYR3QUT	107.19	26	283.356	107.00	107.19	-	-	-
104.60	94.80	103.00	102.65	MQGPE	MACQ GROUP NYR3QUT	103.00	21	215.198	102.66	103.15	-	-	-
105.55	100.00	105.34	105.00	MQGPF	MACQ GROUP NYR3QUT	105.02	70	732.662	105.02	105.35	-	-	-
107.45	98.51	101.20	100.92	NABPE	NAT. BANK NYM3QUT	100.95	34	346.081	100.94	101.49	-	-	-
108.40	100.90	106.79	106.50	NABPF	NAT. BANK NYR3QUT	106.55	63	668.975	106.50	106.55	-	-	-
106.50	98.06	105.13	104.80	NABPH	NAT. BANK NYR3QUT	104.80	121	1266.784	104.66	105.00	-	-	-
104.40	98.01	104.08	103.90	NABPI	NAT. BANK NYR3QUT	104.08	75	778.200	104.01	104.08	-	-	-
107.00	97.00	105.43	105.35	RHCPA	RAMSAY KPYR6QT	105.43	10	101.492	105.30	105.43	-	-	-
107.45	99.97	104.33	103.07	SUNPG	SUNCORP NYR3QUT	103.17	43	442.189	103.16	104.33	-	-	-
105.10	95.71	103.00	102.63	SUNPH	SUNCORP NYR3QUT	102.63	12	121.911	102.65	103.22	-	-	-
103.20	94.27	102.50	102.20	SUNPI	SUNCORP NYR3QUT	102.20	36	366.228	102.20	102.80	-	-	-
105.50	98.56	103.99	103.68	WBCPH	WESTPAC NYR3QUT	103.69	169	1758.500	103.69	103.85	-	-	-
106.00	99.99	104.52	103.96	WBCPI	WESTPAC NYR3QUT	104.01	93	972.043	104.00	104.34	-	-	-
106.14	97.50	104.79	104.40	WBCPJ	WESTPAC NYR3QUT	104.75	128	1335.431	104.74	104.75	-	-	-
104.00	95.50	103.08	102.60	WBCPK	WESTPAC NYR3QUT	103.08	47	487.312	102.62	103.20	-	-	-
106.20	100.21	104.70	104.50	WBCPL	WESTPAC NYR3QUT	104.50	67	698.276	104.33	104.50	-	-	-
102.00	96.40	97.29	97.10	WHFPB	WHITEFIELD CPVM6QU	97.10	7	68.069	97.14	98.25	-	-	-
Australian Government Bonds													
107.83	77.13	87.08	87.08	GSBE47	AUSGOVTB GVM6WU	87.08	1	5.225	85.55	89.19	100	3.00sa	21/03/47
111.00	101.10	102.14	102.14	GSBG23	AUSGOVTB GVM6WU	102.14	10	98.565	102.11	106.00	100	5.50sa	21/04/23
104.37	99.30	100.33	100.33	GSBG24	AUSGOVTB GVM6WU	100.33	15	101.534	99.95	100.55	100	2.75sa	21/04/24
106.66	99.07	101.21	101.21	GSBG25	AUSGOVTB GVM6WU	101.21	10	101.211	100.95	101.40	100	3.25sa	21/04/25
111.86	101.60	104.63	104.63	GSBG26	AUSGOVTB GVM6WU	104.63	1	9.208	104.00	-	100	4.25sa	21/04/26
116.82	102.51	108.30	107.62	GSBG27	AUSGOVTB GVM6WU	107.62	1	7.220	106.25	-	100	4.75sa	21/04/27
126.40	102.95	111.00	111.00	GSBG33	AUSGOVTB GVM6WU	111.00	4	40.071	109.70	112.20	100	4.50sa	21/04/33
120.63	92.61	101.97	101.17	GSBG37	AUSGOVTB GVM6WU	101.17	2	20.439	101.50	-	100	3.75sa	21/04/37
85.32	76.92	83.44	83.44	GSBI32	AUSGOVTB GVM6WU	83.44	5	64.691	-	-	100	1.25sa	21/05/32
102.24	97.77	102.24	102.24	GSBI34	AUSGOVTB GVM6WU	102.24	1	10.224	-	-	100	3.75sa	21/05/34
106.13	83.00	92.32	92.32	GSBK35	AUSGOVTB GVM6WU	92.32	5	44.214	90.00	94.20	100	2.75sa	21/06/35
97.29	92.88	95.01	95.01	GSBU24	AUSGOVTB GVM6WU	95.01	1	6.366	94.50	95.28	100	0.25sa	21/11/24
95.09	89.10	92.55	92.36	GSBU25	AUSGOVTB GVM6WU	92.36	1	13.505	92.00	-	100	0.25sa	21/11/25
105.99	89.00	98.74	98.62	GSBU27	AUSGOVTB GVM6WU	98.62	1	6.411	-	100.00	100	2.75sa	21/11/27
106.48	93.29	98.93	98.24	GSBU28	AUSGOVTB GVM6WU	98.93	4	42.461	95.00	-	100	2.75sa	21/11/28
107.30	82.90	86.85	86.82	GSBU29	AUSGOVTB GVM6WU	86.85	1	5.326	-	-	100	2.75sa	21/11/29
96.65	82.62	85.72	85.72	GSBU32	AUSGOVTB GVM6WU	85.72	6	49.375	-	-	100	1.75sa	21/11/32
100.94	89.88	96.68	96.68	GSBU33	AUSGOVTB GVM6WU	96.68	4	39.543	96.39	-	100	3.00sa	21/11/33
91.62	79.11	83.76	83.76	GSBW30	AUSGOVTB GVM6WU	83.76	3	22.280	-	-	100	1.00sa	21/12/30
131.67	99.40	120.36	120.08	GSIO40	AUSGOVTIB IJM3WU	120.08	1	8.183	119.15	129.99	119.56	1.25q	21/08/40
151.52	141.01	148.54	148.53	GSIQ25	AUSGOVTIB IJM3WU	148.53	5	92.972	148.20	148.50	137.8	3.00q	20/09/25
118.83	107.84	117.27	117.27	GSIU27	AUSGOVTIB IJM3WU	117.27	5	60.629	-	-	115.52	0.75q	21/11/27

ASX EXCHANGE TRADED PRODUCTS (ETPS)

52-Week High	52-Week Low	Company Name	Last Sale	+ or -	Vol 100s	Fwd Div Yld%	Ret 1 Yr %
26.50	23.06	Activex Ardea Real	23.33	-14	460	7.43	-7.8
3.62	2.96	Airlie Aust Sh Fd	3.58	-	815	3.50	3.5
6.08	4.22	Antipodes Global	5.01	-	300	16.75	-15.7
4.77	3.83	Apostle Dundas Glb	4.53	+6	679	.30	-5.0
4.19	3.64	Barrow Hanley Glb	4.16	-1	102	-	-
10.29	9.76	BetaShares Act Au Hyb	10.13	-1	2995	3.20	-1.2
9.42	5.49	BetaShares Asia Tech	7.62	-9	2072	1.46	-16.1
129.88	106.57	BetaShares Au 200	124.90	-29	375	6.30	3.9
9.88	8.08▼	BetaShares Au Bear	8.11	+2	320	1.61	-11.7
25.89	25.44	BetaShares Au Bk Snr	25.72	+3	390	1.97	-.5
49.76	42.38	BetaShares Au Comp Bd	44.83	-19	116	-	-10.1
25.30	20.90	BetaShares Au Corp Bd	22.55	-12	212	3.77	-11.0
13.70	11.37	BetaShares Au DivHarv	12.99	-	1072	6.91	-.6
21.10	17.35	BetaShares Au Ex20	19.97	-14	93	3.09	.9
48.36	40.20	BetaShares Au Gov Bd	42.93	-30	133	2.46	-11.3
50.21	50.06	BetaShares Au Hi Int	50.10	+2	3487	1.39	.1
10.15	9.52	BetaShares Au Maj Bk	9.99	+1	167	3.15	-.8
9.10	6.06	BetaShares Au Res	8.08	+6	1360	13.58	6.2
4.17	3.11	BetaShares Au Sml Co	3.56	-5	156	5.77	-10.6
5.26	3.15▼	BetaShares Au Str Bear	3.18	+2	43640	4.02	-28.9
20.00	15.88	BetaShares Au Sust	17.96	-14	251	3.47	-3.2
8.25	6.83	BetaShares Au Top20	7.83	+1	209	8.94	3.8
12.10	9.32	BetaShares Climate	10.37	-5	76	2.17	-11.7
13.39	8.85	BetaShares Cloud	10.52	-6	338	4.26	-17.2
10.68	4.98	BetaShares Crude Oil	5.12	-15	2443	44.80	-31.5
6.70	1.36	BetaShares Crypto	2.30	-7	1964	-	-59.1
29.99	25.17	BetaShares DivAllGrw	28.29	+10	128	3.98	-3.6
11.08	7.49	BetaShares Elec Veh	8.88	-	177	.50	-15.0
9.02	7.72	BetaShares Energy	8.75	-6	63	-	-
11.00	8.63	BetaShares FTSE 100	10.30	+14	463	3.22	-5.4
16.16	13.20	BetaShares FTSE Au 200	15.14	-3	96	7.49	4.7
18.47	15.49	BetaShares GBP	16.99	+8	90	-	-7.7
30.08	18.77	BetaShares Gear Au	26.73	-20	834	11.47	6.2
36.55	17.21	BetaShares Gear US Eq	23.36	-46	784	5.46	-33.4
7.20	4.90	BetaShares Gl Uranium	6.07	-28	454	-	-
9.00	6.68	BetaShares Glb Agri	7.29	-4	106	3.05	-1.6
7.57	5.44	BetaShares Glb Banks	6.53	-2	32	2.05	-10.4
10.64	7.51	BetaShares Glb Cyber	8.16	-	1701	8.68	-16.8
6.88	5.23	BetaShares Glb Ene	6.18	-	683	2.95	14.4
7.00	4.26	BetaShares Glb Gold	5.59	-13	501	.90	-.4
21.79	14.22	BetaShares Glb Gov20	16.25	-36	478	1.84	-24.9
23.78	18.57	BetaShares Glb Qual	21.39	+10	354	1.23	-8.6
13.05	8.455	BetaShares Glb Robot	10.61	+1	385	.79	-15.5
9.64	7.53	BetaShares Glb Royal	9.28	+11	35	-	-
12.94	10.01	BetaShares Glb Sust	11.57	+5	3306	2.67	-9.0
13.14	9.89	BetaShares Glb Sust H	11.68	-8	133	.25	-9.5
18.22	14.10	BetaShares Gold	16.17	-32	349	-	.9
10.92	8.50	BetaShares India Qual	9.59	+9	133	.54	-8.8
15.75	12.80	BetaShares Japan	14.19	+11	49	8.65	-7.9
6.90	4.92	BetaShares MC Em Mkt	5.66	-4	224	-	-17.0
8.99	7.53	BetaShares MC Eq Inc	8.47	-3	93	5.43	.5
9.65	7.69	BetaShares MC Real Inc	8.86	-7	55	3.82	-2.5
17.73	15.66	BetaShares Mgd Risk Au	16.77	-2	41	4.70	-.2
33.50	24.55	BetaShares Nasdaq 100	27.92	+29	2288	3.29	-15.5
33.58	22.70	BetaShares Nasdq 100 H	26.55	-16	391	.10	-18.7
44.67	37.12	BetaShares S&P 500 EW	42.54	+4	149	3.81	-2.2
21.90	18.35	BetaShares S&P 500 YM	19.43	+29	168	7.90	-10.0
20.55	13.70	BetaShares S&P Au Tech	17.55	-24	148	.69	-9.4
9.96	5.86	BetaShares Str AuD	7.43	-33	293	-	-14.3
14.15	9.82	BetaShares Str USD	11.11	+44	208	7.46	-.9
24.03	19.98	BetaShares Sust Div H	20.85	-18	157	2.80	-13.3
15.49	12.57	BetaShares US Dollar	13.99	+22	1051	-	4.3
13.75	8.21	BetaShares US Str Bear	9.15	+20	5847	11.99	-.2
25.75	22.66	BetaShares WA Au Bd	23.85	-11	121	1.74	-7.7
6.00	4.25	eInvest Better Fut	4.86	-2	40	4.36	-13.1
4.11	3.37	eInvest Income Gen	3.85	+1	78	9.07	.8
95.75	74.10	ETF Battery Tech	94.62	+29	176	.82	2.1
16.54	10.40	ETF FANG+	13.44	+15	772	5.60	-17.5
9.94	6.70	ETF Hydrogen	8.08	-9	153	.08	-4.9
263.45	22.74	ETF Metal Sec Au	25.06	-12	1405	-	-89.4
99.90	69.54	ETF MStar Glb Tech	82.91	-4	80	4.54	-13.1
84.08	55.87	ETF Robo Glb	68.22	-8	33	7.33	-16.6
14.57	12.89	ETF S&P 500 HY	13.93	-16	59	3.08	2.9
10.16	7.97	ETF S&P/ASX300 HY	8.84	-1	57	5.77	-11.4
10.90	7.22	ETF Semiconductor	9.26	+2	542	.86	-11.4
11.80	4.08	ETF UL Nasdaq 100	5.78	-9	2972	.74	-48.4
6.04	3.18	ETF US Nasdaq 100	3.97	+8	23195	-	7.9
10.17	9.21	ETF US Treasury	9.60	-11	500	-	-
7.16	5.18	Fidelity Glb Emerg	6.06	-1	540	1.60	-13.4
11.98	10.07	Global X Copper	11.52	+6	151	-	-
11.19	9.73	Global X Green	11.07	+13	100	-	-
4.03	2.55	Hyperion Glb	3.17	-1	2947	-	-18.9
3.47	2.68	Intell Inv Au EGF	3.12	+1	137	14.74	-3.1
3.30	2.60	Intell Inv Au ELF	3.06	-2	539	12.32	2.3
3.70	2.89	Intell Inv Ethical	3.17	-3	142	11.70	-11.7
109.84	70.59	iShares Asia 50	91.97	-29	260	2.03	-14.8
54.10	32.63	iShares China LCap	44.18	-49	1029	1.63	-16.2
100.77	100.21	iShares Core Cash	100.65	+4	584	1.20	.4
108.87	96.57	iShares Core Comp Bd	101.54	-44	163	1.47	-6.9
106.52	85.76	iShares Core Glb Bd Au	93.72	-33	83	2.12	-11.1
27.08	22.60	iShares Core MSCI Au	26.56	-18	70	2.48	4.6
45.00	35.43	iShares Core MSCI Wld	40.47	+47	367	1.32	-8.2
44.59	33.78	iShares Core MSCI WldH	39.25	-4	100	.72	-10.8
36.27	32.44	iShares Edge Wld MVol	34.63	+4	125	2.76	-4.2
75.36	57.18	iShares Europe	71.49	+63	143	2.48	-4.5
108.72	89.38	iShares Glb 100	98.16	+139	255	2.02	-8.6
100.15	92.45	iShares Glb Agg	96.19	+18	2142	-	-
91.24	79.05	iShares Glb Cons	86.20	+100	248	1.87	-2.9
128.89	108.02	iShares Glb Health	120.03	+95	249	1.15	1.3
108.50	85.88	iShares MSCI EAFE	102.52	+75	217	2.31	-4.6
69.49	52.55	iShares MSCI Em Mkt	58.15	-10	322	2.13	-14.5
91.36	74.57	iShares MSCI Japan	83.50	-13	38	.81	-7.6
42.671	34.831	iShares S&P 500	39.62	+33	1360	1.39	-6.3
45.30	33.84	iShares S&P 500 AUD	39.04	-33	881	1.43	-11.9
14.46	11.91	iShares S&P High Div	13.74	-5	68	6.49	.2
39.04▲	30.959	iShares S&P MidCap	38.82	+31	45	1.31	5.6
5.58	4.00	iShares S&P Small Ords	4.58	-6	142	7.96	-13.1
30.14	25.24	iShares S&P/ASX 20	29.30	-5	110	6.63	7.0
31.45	26.35	iShares S&P/ASX 200	30.28	-7	1278	5.93	3.9
106.13	93.82	iShares Treasury	99.30	-33	57	.80	-6.7
3.20	2.28	Loftus Peak Glb	2.71	+2	510	-	-13.7
2.48	1.92	Loomis Sayles Glb	2.29	-	780	-	-6.5
3.69	2.82	Magellan Glb Eq Hdg	3.15	-2	728	2.42	-15.1
2.71	2.19	Magellan Glb Open	2.39	+3	13720	4.36	-10.5
1.675	1.23	Magellan Hi Conv	1.34	-.5	7125	4.81	-18.5
3.22	2.51	Magellan Infra	2.88	-4	3794	4.18	-3.4
1.045	.835	Monash Abs Active	.885	-.5	1291	5.76	-11.5
3.71	2.41	Montaka Glb	2.87	-	73	4.54	-21.2
9.22	7.59	MStar Intl Shr Act	8.99	-	199	3.70	-1.7
9.93	8.18	Munro Climate	9.17	+4	75	.06	-6.3
4.98	4.27	Munro Global	4.37	-	453	-	-11.4
1.805	1.395	Nanuk New World	1.605	-	1841	-	-
3.41	2.73	Perpetual Ethical	3.10	+3	49	10.88	-5.2
2.95	1.88	Perpetual Global	2.34	+34	152	-	-19.6
4.99	3.44	Platinum Asia Fund	4.37	+2	95	3.18	-10.5
5.49	4.24	Platinum Intl Fund	4.98	+5	492	10.53	-7.9
2.12	1.435	Resolution Cap Gl	1.66	-1.5	1367	3.79	-
21.12	18.05	Russell Au Gov Bd	19.28	-12	90	1.64	-9.1
20.45	18.73	Russell Au Sel Corp Bd	19.62	-4	174	.39	-2.0
3.79	3.44	Schroder Real Ret	3.57	-1	71	3.76	-5.3
24.44	18.40	SPDR DJ Glb RE	20.20	-17	493	6.28	-16.5
32.73	24.84	SPDR MSCI Au Sel HDY	28.69	+8	284	15.13	-7.1
70.79	58.06	SPDR S&P 200	68.02	-23	522	6.40	3.5
23.00	18.20	SPDR S&P 200 Fin	21.77	-7	75	3.78	7.4
13.82	9.51	SPDR S&P 200 Prop	11.94	-20	416	6.84	-9.8
16.17	10.80	SPDR S&P 200 Res	14.37	+7	476	14.54	5.6
19.34	16.695	SPDR S&P Glb Div	17.84	+4	169	4.42	-6.9
44.20	32.00	SPDR S&P W ex Au	35.70	+24	43	13.12	-19.0
29.50	18.02	SPDR S&P W ex Au Hdg	21.17	-15	37	23.72	-27.2
32.98	25.68	VanEck Au Banks	31.42	-19	50	3.97	7.8
17.90	15.50	VanEck Au Corp Bd	16.37	-6	63	2.92	-8.4
35.19	29.61	VanEck Au Eq Wt	34.86	-17	306	3.48	6.8
25.85	24.57	VanEck Au Float	24.77	+1	372	1.77	-.6
25.00	18.43	VanEck Au Prop	22.47	-30	179	5.01	-5.5
39.80	28.38	VanEck Au Res	38.26	+16	213	4.75	17.5
25.15	24.24	VanEck Au Sub Debt	24.67	+2	798	2.82	-1.9
9.80	8.44	VanEck Bentham Gl Cap	9.39	+20	104	4.18	-4.2
9.15	6.54	VanEck China New	7.64	+10	592	1.75	-13.9
10.67	8.55	VanEck Em Inc Opp	10.00	+1	463	5.47	-6.3
66.80	47.25	VanEck FTSE China	56.84	-31	33	1.71	-12.7
24.00	18.66	VanEck FTSE Infr	20.88	-41	668	3.06	-3.0
21.50	14.26	VanEck FTSE Intl Prop	16.84	-28	151	4.09	-17.6
22.54	19.08	VanEck Gl Carbon	22.21	+40	39	-	-
10.37	7.31	VanEck Gl Clean Ene	9.07	-12	63	.55	14.5
55.60	33.72	VanEck Gold Miners	45.00	-58	747	-	5.8
29.36	23.73	VanEck MSCI Au Sus	27.61	-15	71	2.17	2.4
22.99	18.26	VanEck MSCI Emg Mkt	19.30	-	40	4.15	-13.5
41.44	33.26	VanEck MSCI Int Qual	38.14	+40	1307	1.09	-7.3
40.36	30.16	VanEck MSCI Int Qual H	35.22	-7	312	1.07	-11.1
22.59	17.96	VanEck MSCI Int Sml Co	22.31	+19	113	1.08	.8
24.15	19.53	VanEck MSCI Int Val	22.54	+16	86	2.07	-5.3
108.89▲	87.21	VanEck MStar WM	108.04	-41	112	-	4.7
21.89	17.07	VanEck Sml Co	19.29	-33	53	4.34	-9.8
11.42	7.43	VanEck Video	8.90	-3	37	5.57	-18.9
2.52	2.41	Vaughan Nelson Gl SMID	2.41	-	100	-	-
85.64	68.50	Vngd All-World ex-US	77.85	+31	491	2.58	-7.8
51.42	46.64	Vngd Aust Corp FI Idx	49.27	-15	242	.71	-4.3
48.34	42.95	Vngd Aust FI Idx	45.35	-22	264	.77	-6.3
49.69	43.89	Vngd Aust Gov Bond	46.64	-27	462	.21	-6.2
71.19	59.56	Vngd Aust High Yield	69.82	-21	512	5.94	7.4
94.81	68.30	Vngd Aust Property	84.03	-347	523	4.71	-7.5
97.92	79.60	Vngd Aust Shr Idx	93.17	-26	2366	6.88	2.3
54.96	46.65	Vngd Div Bal	50.72	-19	116	3.03	-7.0
57.92	48.55	Vngd Div Growth	53.80	-10	142	3.64	-5.9
61.00	50.29	Vngd Div High Growth	56.76	-8	315	4.69	-5.3
61.00	49.58	Vngd Ethic Au	58.19	-29	48	4.72	2.1
48.00	40.59	Vngd Ethic Glb Agg	42.69	-25	143	1.32	-10.6
75.35	59.51	Vngd Ethic Intl	67.18	+48	104	2.15	-9.9
78.50	58.10	Vngd FTSE Asia Ex Jpn	67.72	-41	47	2.35	-12.1
78.49	60.55	Vngd FTSE Emerging	65.81	-10	152	3.06	-14.3
46.97	39.72	Vngd Glb Agg Bd H	41.78	-30	397	1.53	-10.6
69.59	59.33	Vngd Glb Infra	61.60	-34	76	2.38	-2.3
63.59	53.57	Vngd Glb Val Eq Act	63.15	+11	129	3.05	1.4
43.34	35.85	Vngd Intl Cr Sec H	38.24	-26	81	2.31	-11.8
43.38	37.33	Vngd Intl FI Idx Hdg	38.65	-27	717	1.62	-10.3
73.29	56.61	Vngd MSCI Au Small Co	65.14	-43	129	5.54	-5.1
90.00	69.97	Vngd MSCI Idx Intl H	81.35	-48	254	-	-7.5
104.30	84.42	Vngd MSCI Intl Sh	96.29	+77	723	1.71	-6.6
322.48	260.30	Vngd US Total Market	298.36	+234	156	1.55	-6.2
8.02	5.75	WCM Qual Glb Growth	6.66	+9	388	6.21	-16.8

Futures and Options

ENERGY FUTURES & OPTIONS

Contract		Prev Price	Opening Trade	High	Low	Settlement Price	Settlement Change	Volume	Prev O/P
NSW Base-load Electricity Future (BN)									
Mar	23	111.00	113.00	114.00	113.00	114.00	3.00	2	1977
Jun	23	151.00	150.00	150.00	150.00	150.00	-1.00	2	1884
Sep	23	148.25	144.00	148.00	143.50	148.00	-0.25	22	1713
Dec	23	97.33	96.50	96.50	96.50	99.00	1.67	12	1695
Mar	24	119.50	120.00	120.00	120.00	122.00	2.50	15	1254
Jun	24	129.50	128.00	132.00	128.00	132.00	2.50	19	1003
Sep	24	130.00	128.50	133.00	128.50	132.50	2.50	8	535
Dec	24	98.00	96.00	98.00	96.00	100.28	2.28	8	615
Total Volume: 109			Previous O/P: 11511						
QLD Base-load Electricity Future (BQ)									
Mar	23	128.01	118.00	121.75	118.00	121.75	-6.26	22	5713
Jun	23	128.00	127.00	127.00	127.00	127.00	-1.00	1	5158
Sep	23	119.00	115.00	118.00	115.00	118.00	-1.00	8	4479
Dec	23	97.00	97.25	97.75	97.25	97.75	0.75	9	4500
Mar	24	120.00	115.00	120.50	115.00	120.50	0.50	40	3772
Jun	24	89.00	86.00	86.50	86.00	88.81	-0.19	23	3872
Sep	24	90.00	90.00	90.00	90.00	89.84	-0.16	21	2620
Dec	24	86.00	86.00	86.00	86.00	85.85	-0.15	23	2612
Total Volume: 255			Previous O/P: 36531						
VIC Base-load Electricity Future (BV)									
Mar	23	56.00	-	-	-	56.81	0.81	3	2008
Jun	23	120.00	118.99	119.00	118.99	121.73	1.73	15	2078
Sep	23	120.00	119.50	120.50	119.50	122.01	2.01	18	1692
Dec	23	58.50	58.00	58.00	58.00	60.00	1.50	5	1612
Mar	24	71.20	71.00	73.00	71.00	73.27	2.07	11	1397
Jun	24	83.00	85.00	85.00	85.00	85.24	2.24	10	1492
Sep	24	82.50	84.00	85.50	84.00	85.24	2.74	12	965
Dec	24	48.00	-	-	-	49.39	1.39	7	1043
Mar	25	60.00	60.00	60.00	60.00	60.00	0.00	10	545
Jun	25	75.25	76.50	76.50	76.50	76.50	1.25	1	511
Dec	25	43.76	-	-	-	43.76	0.00	5	282
Total Volume: 102			Previous O/P: 13859						
NSW Base-load Quarterly $300 Cap (GN)									
Mar	23	11.00	12.00	12.00	12.00	12.00	1.00	1	1054
Jun	23	29.00	29.00	29.00	29.00	31.75	2.75	3	924
Sep	23	29.91	31.07	31.07	31.07	31.07	1.16	20	715
Dec	23	19.25	18.75	21.00	18.75	20.63	1.38	24	734
Mar	24	26.50	26.00	26.00	26.00	27.53	1.03	11	583
Jun	24	23.50	22.25	23.50	22.25	24.40	0.90	12	488
Sep	24	23.88	-	-	-	23.88	0.00	1	306
Dec	24	18.35	18.35	18.35	18.35	18.35	0.00	2	285
Total Volume: 84			Previous O/P: 5184						
QLD Base-load Quarterly $300 Cap (GQ)									
Mar	23	28.00	20.00	20.00	20.00	20.00	-8.00	2	739
Jun	23	23.00	24.00	24.00	23.00	23.00	0.00	2	447
Sep	23	20.50	20.50	20.50	20.50	20.50	0.00	7	490
Dec	23	21.50	21.50	22.00	21.50	22.00	0.50	12	558
Mar	24	38.00	34.00	37.00	34.00	37.99	-0.01	20	456
Total Volume: 75			Previous O/P: 3772						
VIC Base-load Quarterly $300 Cap (GV)									
Mar	23	6.00	-	-	-	6.00	0.00	1	567
Jun	23	15.00	14.00	15.00	14.00	16.00	1.00	7	414
Mar	24	18.96	20.00	20.00	20.00	20.00	1.04	3	300
Total Volume: 50			Previous O/P: 2147						
NSW Base-load Electricity Strip Call Options (HN)									
Nov	24	14.15	-	-	-	15.11	0.96	25	70
Nov	24	31.87	-	-	-	33.97	2.10	25	50
Total Volume: 193			Previous O/P: 8371						
NSW Base-load Electricity Strip Put Options (HN)									
May	24	8.10	-	-	-	6.50	-1.60	25	142
May	24	0.01	-	-	-	0.01	0.00	-	250
Total Volume: 178			Previous O/P: 5029						
QLD Base-load Electricity Strip Call Options (HQ)									
May	24	63.26	-	-	-	63.27	0.01	-	375
May	24	62.26	-	-	-	62.27	0.01	-	350
May	24	58.53	-	-	-	58.52	-0.01	-	275
May	24	36.83	-	-	-	36.80	-0.03	10	300
Nov	24	1.19	1.75	1.75	1.75	1.15	-0.04	25	50
Nov	24	54.29	-	-	-	54.29	0.00	-	275
Nov	24	57.37	-	-	-	57.31	-0.06	-	300
Nov	24	21.89	3.80	3.80	3.80	21.87	-0.02	25	75
Total Volume: 238			Previous O/P: 11873						
QLD Base-load Electricity Strip Put Options (HQ)									
May	24	29.89	17.00	17.00	17.00	29.71	-0.18	25	125
May	24	0.01	-	-	-	0.01	0.00	-	250
May	24	0.10	-	-	-	0.09	-0.01	-	425
May	24	0.02	-	-	-	0.01	-0.01	-	300
Nov	24	0.01	-	-	-	0.01	0.00	-	250
Nov	24	0.02	-	-	-	0.02	0.00	-	250
Nov	24	0.67	-	-	-	0.66	-0.01	-	350
Nov	24	3.53	-	-	-	3.47	-0.06	25	65
Total Volume: 213			Previous O/P: 8547						
VIC Base-load Electricity Strip Call Options (HV)									
May	24	6.33	-	-	-	6.91	0.58	25	130
May	24	0.88	-	-	-	0.97	0.09	25	120
May	24	15.61	-	-	-	17.24	1.63	40	40
Nov	24	3.88	-	-	-	4.38	0.50	25	150
Nov	24	3.52	-	-	-	3.97	0.45	25	50
Nov	24	19.41	-	-	-	20.89	1.48	10	270
Nov	24	10.32	-	-	-	11.32	1.00	25	150
Nov	24	8.28	-	-	-	9.16	0.88	25	75
Total Volume: 412			Previous O/P: 7510						
VIC Base-load Electricity Strip Put Options (HV)									
May	24	1.25	-	-	-	1.04	-0.21	40	90
Nov	24	0.01	-	-	-	0.01	0.00	30	80
Total Volume: 157			Previous O/P: 5294						

EQUITY FUTURES & OPTIONS

Contract		Prev Price	Opening Trade	High	Low	Settlement Price	Settlement Change	Volume	Prev O/P
S&P/ASX 200 A-REIT Index Future (AA)									
Mar	23	1510.0	1515.00	1515.00	1515.00	1510	0.00	2	4262
Total Volume: 2			Previous O/P: 4262						
AUD/USD Future (AF)									
Mar	23	7418.0	-	-	-	7508	90.00	1	7
Total Volume: 1			Previous O/P: 7						
ASX Mini SPI 200 Index future (AM)									
Feb	23	7572.0	7242.00	7242.00	7242.00	7544	-28.00	3	35
Total Volume: 3			Previous O/P: 35						
ASX SPI 200 Index future (AP)									
Feb	23	7572.0	-	-	-	7544	-28.00	21	39
Mar	23	7471.0	7467.00	7473.00	7467.00	7471	-1.00	31136	293659
Jun	23	7531.0	-	-	-	7502	-29.00	4	1127
Total Volume: 31161			Previous O/P: 294825						
ASX SPI 200 Index future Call Options (AP)									
Mar	23	527.0	-	-	-	495	-32.00	1	4
Mar	23	346.5	-	-	-	318.5	-28.00	1	2
Mar	23	225.0	-	-	-	200	-25.00	2	2
Mar	23	189.0	-	-	-	165.5	-23.50	6	6
Mar	23	126.0	-	-	-	106	-20.00	1	1
Mar	23	100.0	-	-	-	82	-18.00	6	6
Mar	23	77.5	-	-	-	61.5	-16.00	5	10
Mar	23	43.0	-	-	-	32.5	-10.50	5	12
Mar	23	31.0	6.00	6.00	6.00	22.5	-8.50	12	12
Jun	23	317.0	-	-	-	295	-22.00	1	1
Jun	23	51.0	-	-	-	42.5	-8.50	2	2
Jun	23	33.0	-	-	-	26.5	-6.50	1	6
Jun	23	21.0	-	-	-	16	-5.00	1	1
Total Volume: 44			Previous O/P: 65						
ASX SPI 200 Index future Put Options (AP)									
Mar	23	0.5	-	-	-	0.5	0.00	3	3
Mar	23	1.0	-	-	-	0.5	-0.50	1	1
Mar	23	1.5	-	-	-	1	-0.50	6	2
Mar	23	2.0	-	-	-	2	0.00	2	2
Mar	23	0.5	-	-	-	2	1.50	12	6
Mar	23	0.5	-	-	-	2.5	2.00	3	3
Mar	23	1.0	-	-	-	3	2.00	12	12
Mar	23	1.5	-	-	-	4	2.50	6	7
Mar	23	2.0	-	-	-	4	2.00	6	6
Mar	23	3.0	-	-	-	5	2.00	9	3
Mar	23	5.0	31.00	31.00	31.00	6.5	1.50	3	6
Mar	23	5.5	-	-	-	7	1.50	2	2
Mar	23	6.0	-	-	-	7.5	1.50	6	12
Mar	23	7.0	-	-	-	8	1.00	2	2
Mar	23	8.0	-	-	-	8.5	0.50	3	20
Mar	23	10.5	-	-	-	10.5	0.00	3	9
Mar	23	12.5	-	-	-	12	-0.50	3	20
Mar	23	15.0	-	-	-	14.5	-0.50	2	4
Mar	23	16.5	-	-	-	16.5	0.00	6	6
Mar	23	18.5	-	-	-	18.5	0.00	2	9
Mar	23	24.0	-	-	-	24.5	0.50	2	7
Mar	23	32.5	-	-	-	33.5	1.00	2	8
Mar	23	104.5	-	-	-	113.5	9.00	5	5
Jun	23	80.5	-	-	-	81	0.50	1	2
Total Volume: 104			Previous O/P: 159						
S&P/ASX 200Resources Index (AR)									
Mar	23	6277.0	-	-	-	6200	-77.00	2	11
Total Volume: 2			Previous O/P: 11						
S&P/ASX 200 TR Index (AT)									
Mar	23	9186.0	-	-	-	9166	-20.00	17	1500
Total Volume: 17			Previous O/P: 1500						

INTEREST RATE FUTURES & OPTIONS

Contract		Prev Price	Opening Trade	High	Low	Settlement Price	Settlement Change	Volume	Prev O/P
30 Day Interbank Cash Rate Future (IB)									
Feb	23	96.760	-	-	-	96.750	-0.01	3638	45461
Mar	23	96.600	-	-	-	96.575	-0.025	210	21215
Apr	23	96.520	-	-	-	96.465	-0.055	80	6686
May	23	96.435	-	-	-	96.380	-0.055	180	2524
Jun	23	96.400	-	-	-	96.330	-0.07	16	523
Jul	23	96.370	-	-	-	96.285	-0.085	1	935
Aug	23	96.380	-	-	-	96.280	-0.1	15	1574
Sep	23	96.375	-	-	-	96.295	-0.08	150	610
Oct	23	96.415	-	-	-	96.320	-0.095	150	150
Dec	23	96.500	-	-	-	96.375	-0.125	200	351
Feb	24	96.545	-	-	-	96.415	-0.13	50	300
Total Volume: 4690			Previous O/P: 80329						
90 Day Bank Acc Bill Future (IR)									
Mar	23	96.460	96.460	96.460	96.450	96.460	-0.01	19132	231025
Jun	23	96.220	96.220	96.220	96.210	96.220	-0.01	21228	192584
Sep	23	96.170	96.170	96.170	96.160	96.170	-0.01	14210	154038
Dec	23	96.200	96.200	96.200	96.190	96.200	-0.01	10408	157354
Mar	24	96.310	96.310	96.310	96.300	96.310	-0.01	11262	121600
Jun	24	96.460	96.450	96.450	96.440	96.460	-0.02	7326	107674
Sep	24	96.570	96.570	96.570	96.560	96.570	-0.01	6824	55217
Dec	24	96.660	96.660	96.660	96.650	96.660	-0.01	1098	31346
Mar	25	96.810	-	-	-	96.690	-0.12	1	464
Jun	25	96.810	-	-	-	96.690	-0.12	4	228
Sep	25	96.820	-	-	-	96.700	-0.12	5	296
Dec	25	96.820	-	-	-	96.690	-0.13	12	41
Mar	26	96.780	-	-	-	96.640	-0.14	3	4
Jun	26	96.760	-	-	-	96.620	-0.14	6	7
Sep	26	96.760	-	-	-	96.620	-0.14	4	80
Dec	26	96.480	-	-	-	96.340	-0.14	15	80
Total Volume: 91538			Previous O/P: 1052038						
20 Year Treasury Bond Future (LT)									
Mar	23	96.180	-	-	-	96.135	-0.045	100	16606
Total Volume: 100			Previous O/P: 16606						
5 Year Treasury Bond Future (VT)									
Mar	23	96.875	-	-	-	96.770	-0.105	665	21787
Total Volume: 665			Previous O/P: 21787						
10-Year T-Bond Future (XT)									
Mar	23	96.535	96.530	96.530	96.520	96.535	-0.015	70204	994246
Total Volume: 70204			Previous O/P: 994246						
3-Year T-Bond Future (YT)									
Mar	23	96.900	96.900	96.900	96.890	96.900	-0.01	72420	733567
Jun	23	96.990	-	-	-	96.900	-0.09	-	47
Total Volume: 72420			Previous O/P: 733614						

AGRICULTURAL FUTURES

Contract		Prev Price	Opening Trade	High	Low	Settlement Price	Settlement Change	Volume	Prev O/P
EASTERN AUSTRALIA FEED BARLEY (UB)									
Mar	23	315	-	-	-	330	15.00	25	185
Total Volume: 25			Previous O/P: 185						
WA WHEAT (WK)									
Mar	23	445	-	-	-	445	0.00	10	841
Total Volume: 10			Previous O/P: 841						
Eastern Australia Whea (WM)									
Mar	23	381	-	-	-	382	1.00	310	6269
Jan	24	390	-	-	-	398	8.00	50	1115
Total Volume: 360			Previous O/P: 7384						

NEW ZEALAND FUTURES & OPTIONS

Contract		Prev Price	Opening Trade	High	Low	Settlement Price	Settlement Change	Volume	Prev O/P
NZ 90 Day Bank Bill									
Mar	23	94.83	94.83	94.83	94.80	94.83	-0.03	4508	40966
Jun	23	94.67	94.68	94.68	94.65	94.67	-0.06	4569	70459
Sep	23	94.85	94.84	94.84	94.84	94.85	-0.05	3590	39733
Dec	23	95.12	95.06	95.06	95.06	95.12	-0.06	691	27339
Mar	24	95.38	-	-	-	95.44	0.06	27	1311
Jun	24	95.74	-	-	-	95.84	0.1	26	141
Sep	24	95.95	-	-	-	96.05	0.1	25	25
Total Volume: 13436			Previous O/P: 179974						

ASX Top 100 Companies

To close of business Monday, February 06, 2023

52-Week High	52-Week Low	Day's High	Day's Low	ASX Code	Company Name	Last Sale	+ or -	Vol 100s	Quotes Buy	Quotes Sell	Div ¢ per Share	NTA	Div Yield (%)	EPS (c)	P/E Ratio
8.88	6.315	7.77	7.65	AGL	**AGL Energy**	7.75	+8	15462	7.75	7.76	50.00	4.85	3.39	131.30	5.8
16.75	8.64	13.21	12.90	AKE	Allkem	13.00	-13	21348	12.99	13.01	-	5.61	-	51.34	18.3
13.76	9.96	13.20	12.94	ALQ	ALS	12.95	-24	9048	12.94	13.00	32.80	-.15	2.83	54.35	24.3
40.00▲	24.32	40.00	39.16	ALU	Altium	39.33	-53	2100	39.32	39.35	30.39	2.55	1.18	42.06	67.6
2.15	1.21	1.705	1.665	AWC	Alumina	1.69	-2	69945	1.685	1.695	6.19	.80	5.86	9.80	12.5
19.03	14.63	17.38	17.20	AMC	Amcor	17.30	-1	14176	17.29	17.31	47.38	-2.79	4.06	55.30	22.4
37.55	26.50	31.13	30.53	ALD	Ampol	31.05	+9	6300	31.03	31.06	93.00	10.78	5.20	381.40	8.1
28.106	20.784	25.76	25.42	ANZ	ANZ Banking Gp	25.58	-17	40845	25.57	25.58	142.86	-	5.65	233.80	11.0
12.25	9.03	10.87	10.75	APA	APA Gp	10.87	-	11557	10.85	10.87	53.00	-1.29	4.97	19.60	55.6
41.68	30.36	36.41	36.05	ALL	Aristocrat Leisure	36.38	-7	10150	36.26	36.45	52.00	3.23	1.43	142.30	25.6
90.61	65.25	71.28	70.05	ASX	ASX	71.11	+39	3474	71.06	71.14	227.60	6.03	3.34	262.70	27.0
7.803	5.812	7.05	6.95	ALX	Atlas Arteria	6.96	-14	13498	6.96	6.99	33.64	1.44	5.51	20.46	34.7
7.94▲	6.24	7.94	7.79	AIA	Auckland Intl Airport	7.82	-7	4861	7.81	7.83	-	4.99	1.44	13.01	66.7
4.245	3.43	3.75	3.69	AZJ	Aurizon Hldgs	3.74	+2	37153	3.73	3.74	24.90	2.28	5.75	27.80	13.4
10.83	7.71	10.05	9.92	BEN	**Bendigo & Adelaide Bk**	9.96	-10	14859	9.96	9.97	53.00	-	5.27	77.60	13.0
53.72	35.83	48.70	48.08	BHP	BHP Gp	48.20	+29	61672	48.13	48.20	347.39	12.50	9.67	399.20	8.6
22.43	14.745	19.18	18.99	BSL	BlueScope Steel	19.12	+13	12834	19.09	19.12	31.00	15.26	2.63	495.36	3.4
13.13	9.32	12.30	12.165	BXB	Brambles	12.27	+1	17435	12.25	12.28	21.51	2.31	2.64	40.18	21.8
111.38▲	86.98	111.38	110.39	CBA	**C'wlth Bank of Aust**	110.75	-40	13254	110.62	110.75	375.00	-	3.46	541.50	20.5
23.47	16.989	23.40	23.00	CAR	Carsales.com	23.02	-39	4818	22.98	23.02	46.88	1.44	2.11	56.80	41.2
7.83	5.80	7.355	7.18	CGF	Challenger	7.32	+12	14913	7.31	7.33	22.00	5.00	3.19	33.10	21.7
17.19	10.50	15.17	14.805	CHC	Charter Hall Gp	14.81	-48	21597	14.81	14.92	40.13	6.62	2.70	191.00	8.0
3.31	2.51	2.76	2.72	CWY	Cleanaway Waste	2.75	-1	15625	2.74	2.75	4.80	-.22	1.78	3.80	72.5
236.43	184.62	221.69	219.51	COH	Cochlear	220.28	-168	882	219.61	220.42	295.00	19.66	1.35	439.60	50.5
19.65	15.97	18.15	17.98	COL	Coles Gp	18.14	-1	17252	18.14	18.15	61.00	.95	3.47	78.70	23.0
28.34	19.46	24.71	24.04	CPU	Computershare	24.59	+58	22090	24.57	24.60	34.01	-3.23	2.25	37.62	45.7
7.99	6.18	7.11	7.04	CEN	Contact Energy	7.04	-5	3	7.06	7.40	33.34	2.80	4.36	23.40	33.2
314.21▲	240.10	314.21	310.71	CSL	CSL	311.92	-189	6093	311.83	311.98	218.10	35.98	1.01	480.00	46.7
11.30	7.375	8.54	8.365	DXS	**Dexus**	8.37	-21	35452	8.37	8.41	53.20	12.16	6.20	148.36	5.8
107.11	49.83	73.21	71.55	DMP	Domino's Pizza	72.24	-70	2566	72.18	72.28	173.50	-5.94	2.15	183.00	39.8
43.00	31.10	41.18	39.88	EBO	**EBOS Gp**	40.04	-15	82	39.88	40.95	83.35	-.62	1.92	126.95	34.7
8.40	6.19	6.95	6.77	EDV	Endeavour Gp	6.93	+12	56277	6.90	6.93	19.50	-.18	2.97	27.60	24.7
4.75	1.80	3.28	3.16	EVN	Evolution Mining	3.23	-2	139349	3.23	3.24	8.00	1.78	1.85	17.70	18.3
28.89	16.11	24.34	23.93	FPH	**Fisher & Paykel Hlth**	24.27	-7	2366	24.24	24.29	41.09	2.56	1.51	43.20	61.7
22.99	14.50	22.33	21.80	FMG	Fortescue Metals Gp	21.96	+1	50365	21.95	21.96	215.58	8.05	9.43	201.00	7.8
25.24	15.57	20.81	20.39	GMG	**Goodman Gp**	20.43	-52	31250	20.41	20.49	30.00	8.37	1.43	178.80	11.7
5.27	3.68	4.73	4.655	GPT	GPT Gp	4.66	-10	55042	4.66	4.69	23.20	6.09	5.25	62.30	7.6
5.74	3.53	4.40	4.18	HVN	**Harvey Norman**	4.21	-20	49927	4.20	4.22	35.00	3.37	8.50	65.04	6.8
32.14	20.53	32.02	31.31	IEL	**IDP Education**	31.46	-66	5132	31.45	31.50	13.50	.15	.84	36.79	87.0
17.32	9.23	14.67	14.44	IGO	IGO	14.44	-20	24950	14.44	14.45	10.00	4.54	.68	109.44	13.4
12.236	7.706	11.38	11.09	ILU	Iluka Res	11.14	-11	10398	11.13	11.15	24.00	3.76	3.29	122.17	9.2
4.17	2.90	3.53	3.425	IPL	Incitec Pivot	3.53	+11	128300	3.52	3.53	18.30	1.55	7.89	52.10	6.6
8.64	6.63	8.25	8.19	IFT	Infratil	8.19	+2	1	8.10	8.18	18.41	2.29	2.09	-4.05	140.8
5.10	4.02	4.69	4.54	IAG	Insurance Aust Gp	4.60	-13	137622	4.60	4.61	19.00	1.12	2.33	13.33	35.5
50.98	25.84	34.38	33.62	JHX	**James Hardie Ind**	33.63	-93	16154	33.58	33.82	40.00	2.91	2.11	116.00	21.3
51.65	30.995	42.34	41.37	JHG	Janus Henderson	42.21	+75	959	41.48	42.43	156.03	6.00	5.46	263.00	13.3
56.85	36.69	48.04	47.24	JBH	JB Hi-Fi	47.81	-29	6372	47.78	47.83	270.00	2.28	6.57	477.45	10.1
12.29	7.11	8.90	8.585	LLC	**Lendlease Gp**	8.67	-30	24463	8.67	8.68	17.00	8.30	1.78	-18.45	34.4
11.59	7.28	9.43	9.28	LYC	Lynas Rare Earths	9.28	-12	21539	9.28	9.34	-	1.82	-	59.70	15.7
211.46	149.51	190.64	188.02	MQG	**Macquarie Gp**	188.97	-146	6203	188.94	189.03	622.00	67.26	3.41	1270.30	15.0

52-Week High	52-Week Low	Day's High	Day's Low	ASX Code	Company Name	Last Sale	+ or -	Vol 100s	Quotes Buy	Quotes Sell	Div ¢ per Share	NTA	Div Yield (%)	EPS (c)	P/E Ratio
3.785	2.73	2.97	2.93	MPL	Medibank Private	2.97	+3	62354	2.97	2.98	13.00	.59	4.56	14.30	20.6
6.12	4.52	5.89	5.70	MCY	Mercury NZ	5.72	-18	19	5.72	5.89	18.34	2.98	3.06	34.32	18.9
5.03	3.90	4.99	4.84	MEZ	Meridian Energy	4.84	-2	44	4.84	4.96	16.59	1.90	3.14	17.50	30.5
96.97	42.75	88.94	87.12	MIN	Mineral Res	88.60	-19	4221	88.40	88.60	175.00	16.92	1.13	184.87	48.1
2.67	1.865	2.43	2.395	MGR	Mirvac Gp	2.41	-3	158175	2.41	2.42	10.20	2.80	4.22	23.00	10.6
33.75	25.43	31.98	31.64	NAB	**National Aust Bank**	31.88	-2	25376	31.86	31.89	140.00	-	4.73	210.50	15.2
7.465	2.38	5.96	5.71	NHC	New Hope Corp	5.94	+15	41179	5.93	5.94	24.00	2.70	8.29	106.00	5.5
28.96	15.72	25.68	24.19	NCM	Newcrest Mining	24.53	+208	144033	24.53	24.54	47.73	17.75	1.76	103.10	15.6
13.20	6.60	12.86	12.45	NST	Northern Star	12.58	-11	99299	12.58	12.62	19.50	6.98	1.69	36.80	34.5
17.22	12.35	15.16	14.80	ORI	**Orica**	15.16	+19	5041	15.15	15.17	29.50	5.62	2.34	34.67	43.1
8.15	5.13	7.21	7.12	ORG	Origin Energy	7.21	+6	27153	7.20	7.21	20.00	4.35	4.06	-138.34	98.0
28.025	15.82	27.97	27.93	OZL	OZ Minerals	27.95	-1	9681	27.93	27.96	26.00	11.18	.93	111.20	25.1
5.66	1.975	4.87	4.745	PLS	**Pilbara Minerals**	4.77	-12	146752	4.77	4.78	-	.43	-	18.47	26.5
68.21▲	36.54	68.21	67.14	PME	Pro Medicus	67.19	-145	1360	67.16	67.56	18.00	.76	.32	42.50	161.3
6.62	4.21	6.50	6.37	QAN	**Qantas Airways**	6.49	+7	49573	6.48	6.50	-	-.52	3.09	-45.60	7.1
13.95	10.00	13.33	13.07	QBE	QBE Insurance Gp	13.28	+8	22836	13.28	13.29	21.67	6.00	2.12	31.14	30.3
3.16	2.43	3.075	3.04	QUB	Qube Hldgs	3.05	-3	26709	3.04	3.05	6.50	1.19	2.05	7.10	43.3
84.58	55.73	67.01	66.15	RHC	**Ramsay Health Care**	66.47	-69	2265	66.47	66.48	151.50	-8.15	1.44	116.10	57.8
144.50	93.77	126.49	124.12	REA	REA Gp	124.45	-222	2255	124.43	125.35	147.00	3.48	1.29	291.30	43.5
20.94	12.93	17.23	16.95	REH	Reece	17.14	-18	3467	17.10	17.14	19.50	2.19	1.30	61.00	28.4
36.10	27.37	32.33	32.02	RMD	ResMed Inc	32.03	-28	6945	32.03	32.04	17.20	1.07	.77	54.90	42.0
128.78	87.60	125.17	123.23	RIO	Rio Tinto	124.01	+107	11615	124.00	124.03	804.02	40.61	7.81	1085.80	8.1
8.855	6.77	7.05	6.97	STO	**Santos**	7.01	+2	96419	7.01	7.02	14.09	4.94	3.25	48.10	14.4
3.24	2.42	3.10	3.06	SCG	Scentre Gp	3.07	-3	101298	3.07	3.09	14.25	3.66	4.76	18.59	16.7
31.78	18.78	25.64	25.08	SEK	SEEK	25.57	-6	12616	25.45	25.59	43.00	.91	1.72	66.66	38.5
23.285	15.82	22.94	22.40	SVW	Seven Gp Hldgs	22.44	-27	2207	22.44	22.48	46.00	3.64	2.03	108.12	21.0
39.00	29.34	31.605	30.96	SHL	Sonic Healthcare	31.14	-70	8329	31.13	31.17	95.00	-.19	3.14	302.50	10.5
5.44	3.40	4.68	4.58	S32	South32	4.61	-7	79889	4.60	4.61	12.37	3.32	7.32	57.00	5.9
5.095	4.045	4.83	4.78	SPK	Spark New Zealand	4.82	-	3745	4.81	4.83	27.31	.31	5.12	21.90	24.2
5.59	4.27	5.36	5.22	SDF	Steadfast Gp	5.36	+11	23085	5.32	5.36	12.20	-.08	2.48	17.85	29.4
4.37	3.16	4.14	4.075	SGP	Stockland	4.08	-11	79057	4.07	4.08	26.60	4.31	6.30	59.79	7.0
12.915	9.85	12.36	12.19	SUN	Suncorp Gp	12.36	+3	20444	12.35	12.37	63.00	5.92	3.24	51.32	24.0
15.14	9.55	14.81	14.45	TNE	**Technology One**	14.65	+2	5418	14.64	14.70	14.29	.16	1.03	27.38	53.5
4.17	3.615	4.17	4.11	TLS	Telstra Corp	4.14	-1	175974	4.14	4.15	11.00	.62	3.25	14.30	29.0
7.10	3.90	6.95	6.85	A2M	The a2 Milk Company	6.87	-5	10695	6.87	6.89	-	1.30	-	16.49	46.1
4.935▲	3.905	4.935	4.875	TLC	The Lottery	4.93	+3	44770	4.92	4.93	-	-1.23	-	15.60	31.4
6.75	4.495	4.84	4.64	TPG	TPG Telecom	4.80	+12	19008	4.79	4.80	16.50	-.77	3.74	11.00	42.6
14.93	12.25	14.14	13.905	TCL	Transurban Gp	14.03	-15	35362	14.02	14.04	41.00	-2.21	3.70	.64	2000.0
14.84	10.38	14.805	14.52	TWE	Treasury Wine	14.72	-7	22066	14.70	14.73	28.00	3.30	2.10	36.30	40.8
2.15	1.615	2.10	2.065	VCX	**Vicinity Centres**	2.07	-1	88987	2.07	2.08	4.70	2.36	5.00	26.64	7.8
55.19	40.03	50.74	50.20	WES	**Wesfarmers**	50.55	-13	11053	50.52	50.55	170.00	2.94	3.55	207.60	24.4
24.67	18.80	23.96	23.675	WBC	Westpac Banking	23.85	-7	36857	23.82	23.86	121.00	-	5.23	152.40	15.7
29.17	22.52	28.85	28.54	SOL	WH Soul Pattinson	28.68	-15	3075	28.68	28.72	-	23.00	2.50	-25.80	23.5
11.04	2.79	8.48	8.07	WHC	Whitehaven Coal	8.46	+24	73234	8.45	8.46	8.00	4.39	5.84	195.10	4.2
63.37	34.11	61.925	60.19	WTC	WiseTech Glb	60.19	-181	6097	60.14	60.19	8.60	1.08	.18	59.70	104.2
39.58	26.30	36.19	35.69	WDS	Woodside Energy	36.05	+41	30639	36.04	36.07	134.92	19.11	8.59	314.80	8.1
39.63	31.67	36.59	36.26	WOW	Woolworths Gp	36.54	+3	10592	36.53	36.55	94.00	.58	2.52	125.73	29.1
16.06	11.03	15.18	14.81	WOR	Worley	15.18	+8	12825	15.18	15.19	50.00	-.91	3.31	32.60	46.3
120.00	62.85	81.98	80.365	XRO	**Xero**	80.83	-116	4668	80.62	80.86	-	.46	-	-11.45	1250.0
7.15	2.76	6.005	5.83	YAL	**Yancoal Aust**	5.98	+7	18096	5.95	5.99	50.00	4.55	17.38	200.70	2.9

Money, Overseas & Commodities Markets

AUSTRALIAN DOLLAR

EXCHANGE RATES

	sell/buy		sell/buy
US, dollar	0.6946/0.6946	**Norway,** krone	7.0872/7.0910
UK, pound	0.5756/0.5757	**Pakistan,** rupee	190.09/191.47
Europe, euro	0.6433/0.6434	**Papua NG,** kina	2.4191/2.5218
Brunei, dollar	0.9064/0.9386	**Philippines,** peso	37.785/37.791
Canada, dollar	0.9305/0.9310	**Saudi Arabia,** riyl	2.6055/2.6076
China, yuan Renminbi	4.7157/4.7165	**Singapore,** dollar	0.9194/0.9196
Denmark, kroner	4.7891/4.7899	**Solomon Is,** dollar	5.6469/5.7404
Fiji, dollar	1.4957/1.5120	**South Africa,** rand	12.1192/12.1442
French Pacific, franc	75.97/76.32	**Sri Lanka,** rupee	254.650/259.166
Hong Kong, dollar	5.4510/5.4517	**Sweden,** krona	7.3255/7.3294
India, rupee	56.717/58.000	**Switzerland,** franc	0.6425/0.6426
Indonesia, rupiah	10461.9/10464.0	**Thailand,** baht	22.6783/23.7076
Japan, yen	91.47/91.48	**Tonga,** pa'anga	1.5820/1.6600
Malaysia, ringgit	2.9448/2.9482	**Gold -1 oz,**	2703.70/2704.26
New Zealand, dollar	1.0969/1.0970		

WHOLESALE MARKET

CROSS RATES - MAJOR CURRENCIES

Against	NZD	USD	£Stg	Euro	Sfranc	Yen
$NZ	1	0.6331	0.5247	0.5864	0.5858	83.375
USD	1.5790	1	0.8287	0.9262	0.9248	131.693
£Stg	1.9054	1.2065	1	1.1175	1.1160	158.900
Euro	1.7047	1.0797	0.8947	1	0.9987	142.197
Sfranc	1.7067	1.0809	0.8958	1.0012	1	142.361
Yen'000	11.980	7.5924	6.2730	7.0290	7.0238	1

INTEREST RATES

	Jan 30	Feb 6
Cash Rate		
Overnight, average 11am rate	3.10pc	3.10pc
Exchange Traded Bonds		
3 year (2026) close price	104.54	104.00
5 year (2028) close price	94.77	96.58
10 year (2033) close price	110.26	109.70
30 year (2051) close price	63.57	62.50
International		
US Federal Funds rate per annum	4.33pc	4.58pc

TREASURY

yieldbroker

TREASURY TENDERS

Treasury Bond Tender

Results of Tender Number TB 1422 – 3 February 2023
Series Offered: 3.25% 21 Apr 2029. Amount offered $500 mln. Amount allotted $500 mln. Weighted average bid: 3.2042%. Worst bid-Best bid: 3.23-3.185 (%). Number of bids allocated in full: 6. Coverage ratio: 3.78.

Results of Tender Number TB 1421 – 1 February 2023
Series Offered: 3.75% 21 May 2034. Amount offered $700 mln. Amount allotted $700 mln. Weighted average bid: 3.6072%. Worst bid-Best bid: 3.645-3.59 (%). Number of bids allocated in full: 1. Coverage ratio: 5.1171.

Results of Tender Number TB 1420 – 30 January 2023
Series Offered: 2.75% 21 May 2041. Amount offered $300 mln. Amount allotted $300 mln. Weighted average bid: 3.9474%. Worst bid-Best bid: 4.0075-3.9275 (%). Number of bids allocated in full: 18. Coverage ratio: 2.95.

Results of Tender Number TB 1419 – 9 December 2022
Series Offered: 0.25% 21 Nov 2025. Amount offered $700 mln. Amount allotted $700 mln. Weighted average bid: 3.0602%. Worst bid-Best bid: 3.085-3.045 (%). Number of bids allocated in full: 1. Coverage ratio: 4.9729.

Results of Tender Number TB 1418 – 7 December 2022
Series Offered: 3.00% 21 Nov 2033. Amount offered $900 mln. Amount allotted $900 mln. Weighted average bid: 3.396%. Worst bid-Best bid: 3.4125-3.3875 (%). Number of bids allocated in full: 10. Coverage ratio: 2.7778.

Treasury Indexed Bond Tender

Results of Tender Number TIB 239 – 13 December 2022
Series Repurchased: 0.75% 21 Nov 2027. Total tender size $150 mln. Offers accepted $150 min. Weighted average offer: 0.5015%. Worst offer-Best offer: 0.595-0.47 (%). No. of offers allocated in full: 11. Total coverage ratio: 3.4333.

Treasury Note Tender

Results of Tender Number TN 03/23 – 2 February 2023

Maturity Date	Allocated ($m)	Yield (%)	Yield Range (%)
12 May 2023	1000	3.4357	3.6-3.3
09 June 2023	1000	3.5039	3.65-3.3
07 July 2023	500	3.5539	3.7-3.495

Results of Tender Number TN 02/23 – 19 January 2023

Maturity Date	Allocated ($m)	Yield (%)	Yield Range (%)
24 March 2023	1000	3.2496	3.34-3.17
26 May 2023	1000	3.3809	3.49-3.32
23 June 2023	1000	3.4349	3.55-3.39

Results of Tender Number TN 01/23 – 12 January 2023

Maturity Date	Allocated ($m)	Yield (%)	Yield Range (%)
24 March 2023	1000	3.2307	3.35-3.16
26 May 2023	1000	3.3881	3.55-3.29
09 June 2023	1000	3.4269	3.6-3.395

WHOLESALE MARKET

Indicative mid-rates of selected Australian Fixed Interest Bonds.

Treasury Bonds

Coupon	Maturity	Yield % pa	Day Chg %
5.50%	21/04/23	3.3242	0.0465
2.75%	21/04/24	3.2618	0.0800
0.25%	21/11/24	3.1271	0.0558
3.25%	21/04/25	3.0671	0.0797
0.25%	21/11/25	3.0720	0.0865
4.25%	21/04/26	3.0978	0.0913
0.50%	21/09/26	3.1194	0.0884
4.75%	21/04/27	3.1461	0.0921
2.75%	21/11/27	3.1725	0.0887
2.25%	21/05/28	3.2037	0.0898
2.75%	21/11/28	3.2339	0.0900
3.25%	21/04/29	3.2656	0.0834
2.75%	21/11/29	3.3088	0.0858
2.50%	21/05/30	3.3449	0.0856
1.00%	21/12/30	3.3928	0.0843
1.50%	21/06/31	3.4203	0.0843
1.00%	21/11/31	3.4380	0.0800
1.25%	21/05/32	3.4458	0.0785
1.75%	21/11/32	3.4593	0.0785
4.50%	21/04/33	3.4602	0.0794
3.00%	21/11/33	3.4940	0.0788
3.75%	21/05/34	3.5140	0.0775
2.75%	21/06/35	3.6042	0.0786
3.75%	21/04/37	3.7037	0.0707
3.25%	21/06/39	3.7990	0.0615
2.75%	21/05/41	3.8712	0.0562
3.00%	21/03/47	3.9050	0.0563
1.75%	21/06/51	3.8670	0.0520
3.00%	20/09/25	-0.1262	0.0700
0.75%	21/11/27	0.4752	0.0777
2.50%	20/09/30	0.7776	0.0743
0.25%	21/11/32	0.9931	0.0762
2.00%	21/08/35	1.1425	0.0831
1.25%	21/08/40	1.3075	0.0845
1.00%	21/02/50	1.3625	0.0800

All yields in this table are closing rates.
Source: Yieldbroker 06 Feb 2023

Semi-Government Bonds

Cpn	State	Maturity	Yield	Chg %
1.00	ACT	17/04/23	3.2671	0.0397
4.00	ACT	22/05/24	3.5829	0.1045
1.25	ACT	22/05/25	3.4611	0.0696
2.50	ACT	21/05/26	3.5176	0.0871
3.00	ACT	18/04/28	3.6540	0.0956
2.25	ACT	22/05/29	3.7947	0.0935
1.75	ACT	17/05/30	3.9360	0.0869
1.75	ACT	23/10/31	4.0737	0.0831
2.50	ACT	22/10/32	4.1463	0.0855
4.00	NSW	20/04/23	3.3699	0.0563
6.00	NSW	01/05/23	3.4150	0.0225
1.00	NSW	08/02/24	3.5300	0.0679
5.00	NSW	20/08/24	3.5082	0.0922
1.25	NSW	20/03/25	3.4106	0.0851
4.00	NSW	20/05/26	3.4615	0.0920
3.00	NSW	20/05/27	3.5300	0.0915
3.00	NSW	20/03/28	3.6136	0.0976
3.00	NSW	15/11/28	3.6698	0.1033
3.00	NSW	20/04/29	3.7373	0.1018
3.00	NSW	20/02/30	3.8348	0.0913
6.00	NSW	01/05/30	3.7735	0.1058
1.25	NSW	20/11/30	3.9530	0.0978
2.00	NSW	20/03/31	3.9809	0.0919
1.50	NSW	20/02/32	4.1205	0.0910
2.50	NSW	22/11/32	4.1620	0.0913
2.00	NSW	08/03/33	4.2288	0.0893
1.75	NSW	20/03/34	4.3172	0.0844
3.50	NSW	20/03/34	4.2773	0.0863
4.75	NSW	20/02/35	4.3857	0.0825
3.50	NSW	20/11/37	4.5649	0.0810
2.25	NSW	20/11/40	4.7388	0.0594
2.25	NSW	07/05/41	4.7566	0.0582
2.25	NSW	20/05/42	4.7710	0.0623
2.45	NSW	24/08/50	4.7404	0.0502
6.00	NT	15/03/24	3.5695	0.0724
2.75	NT	21/10/24	3.7095	0.0688
6.00	NT	15/03/26	3.5025	0.0812
2.75	NT	21/04/27	3.5995	0.0876
3.50	NT	21/04/28	3.6893	0.0937
2.00	NT	21/05/29	3.8523	0.1000
3.50	NT	21/05/30	3.9980	0.1097
2.00	NT	21/04/31	4.1422	0.0907
2.50	NT	21/05/32	4.2558	0.0868
3.75	NT	21/04/33	4.3802	0.0872
4.10	NT	21/11/42	4.8958	0.0720
4.25	QLD	21/07/23	3.4850	0.0800
3.00	QLD	22/03/24	3.5289	0.0874
5.75	QLD	22/07/24	3.4899	0.0681
4.75	QLD	21/07/25	3.4490	0.0860
3.25	QLD	21/07/26	3.4767	0.0902
2.75	QLD	20/08/27	3.5482	0.0953
3.25	QLD	21/07/28	3.6301	0.0974
2.50	QLD	06/03/29	3.7152	0.0995
3.25	QLD	21/08/29	3.7447	0.0997
3.50	QLD	21/08/30	3.8498	0.0953
1.25	QLD	10/03/31	3.9501	0.0864
1.75	QLD	21/08/31	3.9889	0.0879
1.50	QLD	02/03/32	4.0553	0.0906
1.50	QLD	20/08/32	4.1031	0.0926
6.50	QLD	14/03/33	4.1295	0.0973
2.00	QLD	22/08/33	4.2080	0.0932
1.75	QLD	20/07/34	4.3137	0.0844
4.50	QLD	22/08/35	4.3560	0.0840
2.25	QLD	16/04/40	4.6831	0.0634
2.25	QLD	20/11/41	4.7219	0.0563
4.20	QLD	20/02/47	4.7171	0.0561
2.25	QLD	28/10/50	4.6896	0.0667
4.25	SA	20/11/23	3.6150	0.1000
2.25	SA	15/08/24	3.5219	0.0919
2.75	SA	16/04/25	3.4437	0.0812
3.00	SA	20/07/26	3.4987	0.0935
3.00	SA	20/09/27	3.5845	0.0908
3.00	SA	24/05/28	3.6750	0.0938
2.75	SA	24/05/30	3.8940	0.0940
1.75	SA	24/05/32	4.1439	0.0849
1.75	SA	24/05/34	4.3750	0.0825
2.00	SA	23/05/36	4.5890	0.0835
2.25	SA	24/05/40	4.8772	0.0922
4.00	TAS	11/06/24	3.5614	0.0846
3.25	TAS	19/02/26	3.4950	0.0890
3.25	TAS	24/01/28	3.6510	0.0830
2.00	TAS	24/01/30	3.9490	0.0900
2.25	TAS	22/01/32	4.1675	0.0915
2.50	TAS	21/01/33	4.2790	0.0730
1.75	TAS	22/01/36	4.5636	0.0771
2.35	TAS	23/08/41	4.9511	0.0726
4.35	TAS	02/05/46	5.0976	0.0692
1.00	VIC	20/11/23	3.5851	0.0807
5.50	VIC	17/12/24	3.5000	0.1074
0.50	VIC	20/11/25	3.4586	0.0876
5.50	VIC	17/11/26	3.5114	0.0950
1.25	VIC	19/11/27	3.6067	0.0927
3.00	VIC	20/10/28	3.7031	0.1011
2.50	VIC	22/10/29	3.8248	0.0948
1.50	VIC	20/11/30	3.9708	0.1001
4.75	VIC	20/11/30	3.9948	0.0835
1.50	VIC	10/09/31	4.0829	0.0939
4.25	VIC	20/12/32	4.1964	0.0952
2.25	VIC	15/09/33	4.3199	0.0889
2.25	VIC	20/11/34	4.4225	0.0890
2.00	VIC	17/09/35	4.5062	0.0847
4.75	VIC	15/09/36	4.5312	0.0867
2.00	VIC	20/11/37	4.6697	0.0760
5.00	VIC	20/11/40	4.7211	0.0541
2.25	VIC	20/11/40	4.7872	0.0632
2.25	VIC	20/11/41	4.8031	0.0563
2.25	VIC	20/11/42	4.8253	0.0615
4.00	VIC	06/11/47	4.7854	0.0554
2.40	VIC	18/08/50	4.7919	0.0520
6.00	WA	16/10/23	3.6050	0.1100
2.50	WA	23/07/24	3.4954	0.0799
5.00	WA	23/07/25	3.4359	0.0904
3.00	WA	21/10/26	3.4795	0.0953
3.00	WA	21/10/27	3.5465	0.0900
3.25	WA	20/07/28	3.6292	0.0952
2.75	WA	24/07/29	3.7485	0.0993
1.50	WA	22/10/30	3.8799	0.0894
1.75	WA	22/10/31	3.9861	0.0844
2.00	WA	24/10/34	4.2625	0.0775
2.25	WA	23/07/41	4.6375	0.0625

US (Dow Jones) ▼
-127.93 to 33,926.01

US (Nasdaq) ▼
-193.86 to 12,006.96

US (S&P 500) ▼
-43.28 to 4136.48

UK (FTSE 100) ▲
+81.64 to 7901.80

Europe (EURO STOXX 50) ▲
+16.86 to 4257.98

Japan (Nikkei 225) ▲
+152.57 to 27,662.03

New Zealand (NZX 50) ▲
+44.99 to 12,197.15

Hong Kong (Hang Seng) ▼
-441.24 to 21,219.23

China (Shanghai A) ▼
-28.80 to 3391.85

Data based on last available close of day for each market exchange time zone

AUSTRALIAN COMMODITIES

METALS	Feb 5	Feb 6
Gold Spot closing - $US (IRES)	1865.24	1877.59
Iron Ore 62% $US/t future (Feb 23)	125.56	123.50
Palladium $US/oz	1705.23	1705.23
Platinum $US/oz	1082.51	1082.51

LONDON METAL EXCHANGE	Feb 2	Feb 3
Copper A sett tonne $US	9033.5	8925.5
Tin H.G. sett tonne $US	29,465	28,000
Lead sett tonne $US	2150.0	2103.5
Zinc S.H.G. sett tonne $US	3355.0	3215.0
Aluminium H.G. sett tonne $US	2604.5	2566.0
Nickel sett tonne $US	30,000	28,460

OIL $US per bbl	Feb 2	Feb 3
Cushing Futures	-5.85	-5.85
WTI Crude	75.88	73.39
Brent Crude	82.17	79.94

ASX Market Performance

ROLLING YEAR RECORDS

Company Name	ASX Code	New High	Last Wk[1]	Last Mth[2]
Acrow Formwork	ACF	.70	.685	.625
Activeport Gp	ATV	.17	.13	.105
Altium	ALU	40.00	38.16	35.06
Anova Metals	AWV	.22	.16	.16
Arafura Res	ARU	.64	.555	.445
Argosy Minerals	AGY	.745	.665	.565
Ashley Services Gp	ASH	.815	.70	.69
AUB Gp	AUB	24.95	23.78	22.88
Auckland Intl Airport	AIA	7.94	7.67	7.39
Auckland RE	AKL	.80	.68	.66
Balkan Minerals	BMM	.495	.355	.32
Battery Age Minls	BM8	.53	.40	.43
BluGlass	BLG	.06	.035	.025
Buxton Res	BUX	.185	.135	.10
C'wlth Bank of Aust	CBA	111.38	108.83	103.14
Conrad Asia Energy	CRD	1.67	1.25	1.295
Cosmos Explore	C1X	.685	.39	.22
COSOL	COS	.865	.84	.775
CSL	CSL	314.21	296.12	284.00
Deterra Royalties	DRR	4.95	4.88	4.61
DUG Tech	DUG	.89	.68	.62
Emerald Res	EMR	1.62	1.405	1.195
ikeGPS Gp	IKE	.95	.86	.90
Lode Res	LDR	.47	.12	.125
Mitre Mining	MMC	.335	.295	.28
Nordic Nickel	NNL	.43	.285	.195
Patriot Battery	PMT	1.97	1.42	.685
Patriot Lithium	PAT	.47	.31	.275
Polynovo	PNV	2.59	2.44	2.02
Pro Medicus	PME	68.21	64.50	55.54
Shaver Shop Gp	SSG	1.26	1.185	1.155
The Lottery	TLC	4.935	4.77	4.60
Triton Minerals	TON	.042	.036	.037
Truscott Mining Corp	TRM	.16	.075	.049
Unith	UNT	.037	.032	.021
Weebit Nano	WBT	5.74	5.02	3.64
WestStar Industrial	WSI	.23	.20	.20
XRF Scientific	XRF	.97	.825	.85

Company Name	ASX Code	New Low	Last Wk[1]	Last Mth[2]
ACDC Metals Ltd	ADC	.165	.18	-
Allegiance Coal	AHQ	.017	.04	.042
Althea Gp	AGH	.052	.062	.062
Audeara	AUA	.069	.081	.08
Audio Pixels	AKP	8.24	9.95	9.60
Best & Less Gp	BST	1.865	1.97	1.97
Blaze Minerals	BLZ	.009	.012	.011
BlueBet Hldgs	BBT	.31	.35	.37
Bridge SaaS	BGE	.05	.07	.094
BTC Health	BTC	.032	.037	.037
Byron Energy	BYE	.099	.11	.11
Cann Gp	CAN	.185	.205	.215
Chimeric Thera	CHM	.074	.078	.085
Cobram Estate Olives	CBO	1.30	1.425	1.45
Coventry Gp	CYG	1.00	1.06	1.10
Culpeo Minerals	CPO	.096	.11	.11
Delta Drone Intl	DLT	.006	.008	.009
Elders	ELD	9.47	9.98	10.10
Energy World Corp	EWC	.039	.042	.047
Galilee Energy	GLL	.165	.26	.265
Geopacific Res	GPR	.025	.03	.033
Gold Hydrogen	GHY	.51	.60	-
Golden Mile Res	G88	.02	.024	.021
Great Southern	GSN	.026	.028	.03
Hannans	HNR	.016	.017	.018
Hawsons Iron	HIO	.075	.092	.083
Holista Colltech	HCT	.019	.027	.029
identitii	ID8	.03	.032	.034
IXUP	IXU	.026	.028	.032
Kalgoorlie Gold Min	KAL	.072	.083	.083
Kin Mining	KIN	.052	.053	.064
Kip McGrath Edu Ctr	KME	.735	.79	.82
KNeoMedia	KNM	.01	.013	.015
Magnetite Mines	MGT	.40	.48	.60
Mayne Pharma	MYX	2.82	3.56	4.20
Megado Minerals	MEG	.033	.044	.041
Metalicity	MCT	.002	.003	.003
Metarock Gp	MYE	.14	.21	.19
My Rewards Intl	MRI	.02	.034	.038
Native Mineral Res	NMR	.081	.097	.11
New Energy Solar	NEW	.065	.20	.195
Nightingale Intellig	NGL	.09	.105	.115
Papyrus Aust	PPY	.031	.04	.049
Prescient Therapeut	PTX	.11	.125	.13
Regeneus	RGS	.014	.041	.04
Rhinomed	RNO	.095	.105	.115
Rubicon Water	RWL	.75	.87	.90
Sacgasco	SGC	.012	.013	.013
SECOS Gp	SES	.086	.10	.105
SensOre	S3N	.323	.345	.36
Siren Gold	SNG	.15	.175	.175
Sparc Tech	SPN	.47	.495	.495
SSH Gp	SSH	.155	.165	.17
Sunrise Energy Metals	SRL	1.735	1.995	2.25
TZ	TZL	.056	.095	.08
VHM	VHM	.955	1.04	-
Vita Gp	VTG	.093	.103	.11
Viva Leisure	VVA	1.015	1.16	1.11
Wagners Hldg Co	WGN	.71	.785	.77
Western Yilgarn	WYX	.099	.105	.128
Zoom2u Tech	Z2U	.079	.085	.097
Zoono Gp	ZNO	.09	.095	.098

[1] close 1 week back [2] close 1 month back

TOP 200 – THE DAY'S BEST AND WORST

Company	Price	Move	%
Newcrest Mining	24.53	+208	+9.27
Beach Energy	1.54	+5.5	+3.70
Incitec Pivot	3.53	+11	+3.22
Whitehaven Coal	8.46	+24	+2.92
PEXA Gp	13.44	+37	+2.83
New Hope Corp	5.94	+15	+2.59
TPG Telecom	4.80	+12	+2.56
Computershare	24.59	+58	+2.42
Coronado Glb Res	2.12	+5	+2.42
Virgin Money UK	3.32	+7	+2.15

Company	Price	Move	%
Sayona Mining	.245	-1.5	-5.77
Core Lithium	1.065	-6.5	-5.75
Credit Corp Gp	22.03	-112	-4.84
Harvey Norman	4.21	-20	-4.54
Paladin Energy	.765	-3.5	-4.38
Ingenia Gp	4.67	-20	-4.11
Lovisa Hldgs	24.74	-105	-4.07
Liontown Res	1.50	-6	-3.85
Fletcher Building	4.85	-18	-3.58
Eagers Automotive	11.22	-41	-3.53

MOST ACTIVE STOCKS

By Volume

ASX Code	Company Name	Volume
88E	88 Energy	212,603,329
GTG	Genetic Technologies	74,248,204
CPH	Creso Pharma	54,464,130
SYA	Sayona Mining	53,148,317
PCL	Pancontinental Ene	51,746,641
MTH	Mithril Res	35,624,652
MTL	Mantle Minerals	35,369,655
4DS	4DS Memory	34,511,645
IBX	Imagion Biosys	30,161,354
DRE	Dreadnought Res	26,895,081
LDR	Lode Res	25,393,839
MHC	Manhattan Corp	24,884,414
IMU	Imugene	23,249,561
AXP	AXP Energy	23,178,106
MGG	Mogul Games Gp	21,199,761
PDN	Paladin Energy	19,354,334

By Value

ASX Code	Company Name	$ Value
NCM	Newcrest Mining	307,882,319
BHP	BHP Gp	278,889,232
CSL	CSL	190,499,201
CBA	C'wlth Bank of Aust	146,757,422
RIO	Rio Tinto	138,966,560
MQG	Macquarie Gp	117,177,217
NST	Northern Star	116,866,985
FMG	Fortescue Metals Gp	111,075,188
WDS	Woodside Energy	107,873,444
ANZ	ANZ Banking Gp	104,492,760
WBC	Westpac Banking	87,771,098
NAB	National Aust Bank	80,794,635
TLS	Telstra Corp	72,890,499
PLS	Pilbara Minerals	70,152,136
STO	Santos	67,194,006
IAG	Insurance Aust Gp	62,214,707

FINANCIAL TIMES ft.com

EU pushes back against green tech poaching

France's Bruno Le Maire (above) will meet US Treasury Secretary Janet Yellen, Trade Representative Katherine Tai and Commerce Secretary Gina Raimondo in Washington; (below) wind turbines in Catalonia, Spain. PHOTOS: BLOOMBERG

Sarah White and Guy Chazan

Paris | Berlin | France and Germany's economy ministers will ask the US to lay off making "aggressive" overtures to European companies in a bid to lure their green investments across the Atlantic, French officials said ahead of a visit to Washington this week.

France's Bruno Le Maire and Germany's Robert Habeck are due to hold talks with White House officials on Tuesday (Wednesday AEDT) to underscore European Union concerns about President Joe Biden's landmark climate legislation, the Inflation Reduction Act, and push for better cooperation.

The $US370 billion ($533 billion) US package, which contains hundreds of billions of dollars in subsidies for green tech, aims to bolster investment in everything from electric carmakers to renewable energy producers.

The bill, originally intended to challenge China's dominance of green tech, is conditioned on manufacturing being local, which has sparked fears that a growing number of businesses considering investments in Europe would pivot to the US instead.

Mr Le Maire and Mr Habeck will ask the US not to go above and beyond that framework by actively trying to poach EU businesses, the French officials said. Representatives of economic bodies from several US states, including Michigan and Ohio, toured Europe in recent months to tout the incentives.

"What we're looking for are not only exemptions, but also to have a mutual understanding to avoid a subsidies race and also to avoid aggressive tactics involving the US administration going to see European companies to ask them if they want to move their factories to the US," one of the French officials said. "You don't do that among friends."

There was "enough room for everyone", the second official said.

During their joint trip to Washington, Mr Habeck and Mr Le Maire will meet US Treasury Secretary Janet Yellen, Trade Representative Katherine Tai and Commerce Secretary Gina Raimondo.

The EU has repeatedly pressed for exemptions to the US climate package to help some European businesses benefit from the subsidies without uprooting their production.

Lower energy costs in the US, which is less directly exposed to the impact of Russia's invasion of Ukraine on global markets for oil and gas, are also making that market more attractive for some manufacturers.

The Le Maire and Habeck visit, billed in part as a show of unity between France and Germany at a time when relations have been strained by the energy crisis in Europe and the fallout from the Ukraine war, is unlikely to yield much in terms of room to move, the officials said.

The main exemption obtained so far allows electric cars built outside North America to qualify for some tax credits offered to US drivers, a shift that could benefit German auto manufacturers in particular. German officials have expressed concern that some in the US Congress want to revisit the compromise on electric cars. "There have been efforts made by some to reopen it, and we want to signal how important it is for us that this agreement is preserved," said one.

Mr Habeck and Mr Le Maire also hope to persuade the US to show more flexibility when it comes to local production requirements contained in the IRA for critical materials used in electric car batteries, German and French officials said – one area where there are already co-operation treaties between the EU and the US.

You don't do that among friends.
French official

They will also press for transparency on the level of US subsidies handed out to businesses, which could allow the EU to match some of the incentives.

The European Commission is generally in charge of trade policy for the bloc. However, a German official said it was "very important that [France and Germany] explain [to the US] from a national perspective what kind of effect the IRA could have on us, and the challenge that it presents".

The EU is preparing its own response to the US climate program, which includes loosening restrictions on subsidies in Europe and extra funding for green tech businesses.

How a spy balloon popped the warming of US-China ties

Opinion

Gideon Rachman

High stakes: Xi Jinping and Joe Biden at the G20 summit in Bali last year. PHOTO: AP

For some time, American officials have talked about the need to "put a floor" under the sharp deterioration in US-China relations.

But the controversy surrounding the Chinese spy balloon (which Beijing insists was a "civilian" vessel blown accidentally into US airspace) has dashed efforts to gradually improve relations between the two countries. A visit to Beijing by Secretary of State Antony Blinken was cancelled.

Even before the current crisis, there was very little trust or warmth left between Washington and Beijing. Both sides understand that tensions are dangerously high. General Mike Minihan, head of the US Air Mobility Command, recently predicted in a leaked internal memorandum that the US and China "will fight in 2025" – as a result of a Chinese attack on Taiwan.

While Minihan's views do not represent a settled consensus within the US government, they do reflect the fevered nature of the debate between Western officials about China's intentions towards Taiwan.

The rise in military tensions has also led to a much more determined American effort to restrict the supply of cutting-edge technology to China.

New restrictions on the export of semiconductors and related equipment to the country have been announced, threatening its high-tech sector and some leading Chinese and Western companies. Talk of the two economies "decoupling" is now routine – although the reality is that the volume of trade between the countries further increases.

It is hardly a revelation that China and the US are spying on each other. But the progress of the balloon from Alaska through Canada and down past Montana has a certain Hollywood quality that has fascinated television audiences and politicians across the US – increasing pressure on the Biden administration to respond.

By historic standards, the episode looks like a relatively minor infraction. Between 2010 and 2012, China is believed to have dismantled CIA operations within its borders – executing at least a dozen US sources.

In 2015, it was announced that China had successfully hacked the US Office of Personnel Management, gaining access to the personal data of more than 4 million current and former federal government employees.

The US has intensified its own intelligence-gathering efforts aimed at China. In 2021, the CIA announced the formation of a new China mission centre to "address the global challenge posed by the People's Republic of China".

The increased surveillance capabilities of the Chinese state, linked to the rise of the smartphone, have made it increasingly difficult for Western intelligence agencies to run agents within China.

But the technological surveillance capacities of both Washington and Beijing further expand. One oddity about the Chinese spy balloon is that, in the age of spy satellites, it sounds like a technological solution from a previous era. Spy balloons were employed as long ago as the French revolutionary wars.

The current incident is, however, particularly inflammatory given the already-heated US political debate about China.

Leading Republican politicians used the balloon's journey across the country to accuse the Biden administration of weakness towards Beijing. The White House's decision to shoot the balloon down just off the Atlantic coast may have reflected domestic political imperatives, as much as national security ones.

China has its own nationalists and hawks to satisfy. They, too, may demand a response to the US attack on the balloon, which the Chinese government has called a serious violation of international conventions.

In recent weeks, more moderate voices in both capitals had been cautiously trying to restart dialogue between the two countries. Those efforts are over – for now. But eventually, the stakes are too high for diplomacy between China and the US to fall victim to a spy balloon.

Newcrest up on Newmont bid; ASX falls 0.3pc

Equities

Vesna Poljak

Newcrest shares rallied 9.3 per cent after the world's biggest gold miner, Newmont, proposed a share-based merger with the ASX's largest gold company.

The all-scrip deal would give Newcrest shareholders 0.38 shares in Newmont for each Newcrest share they own, and paves the way for securities in the enlarged Newmont to trade in Australia via Chess Depositary Interests, or CDIs, in the same way that former Afterpay shareholders now own Block.

Newcrest was revealed as a takeover target by *The Australian Financial Review*'s Street Talk on Sunday.

The shares closed at $24.53.

Barrenjoey speculated that Newcrest could defend itself from Newmont with a strategic break-up of the business to ascribe improved value. The board

> **We think its [Lihir's] position in the portfolio might be a driver of the valuation discount.**
> Daniel Morgan, analyst.

may evaluate a spin-off of Lihir "as we think its position in the portfolio might be a driver of the valuation discount we observe in the share price", said analyst Daniel Morgan. He values Newcrest at $24.43 a share assuming a long-term gold price of $2400 an ounce.

The S&P/ASX 200 Index dropped 0.3 per cent or 19.1 points to 7539 points; the All Ordinaries fell by the same margin to 7745.9.

BHP Group rallied 0.6 per cent to $48.20 and Rio Tinto firmed 0.9 per cent to $124.01. Iron ore traded in the spot market fell 2.9 per cent to $US121.30 a tonne in Singapore on the March futures contract. In energy, West Texas Intermediate rose 0.2 per cent to $US73.54 a barrel on the March contract and April Brent crude added 0.3 per cent to $US80.18.

Beach Energy added 3.7 per cent to $1.54; its Waitsia gas project was unlikely to produce LNG before 2023, and it would cost an extra $50 million to develop after the collapse of Clough. It now expects the Waitsia gas development to cost between $400 million and $450 million, having previously forecast the build at between $350 million and $400 million.

In the All Ords, Nick Scali fell 13 per cent to $10.80 on evidence of a weaker order book after its first-half profit, delivering an 80 per cent increase to $60.6 million. Nick Scali lifted its first half dividend to 40¢ a share from 35¢.

Citi analyst Sam Teeger said customer orders in January for future delivery of Nick Scali brand sofas were down 12 per cent on the same time a year ago, a sign of slowing demand.

Endeavour Group rose 1.8 per cent to $6.93 after NSW Premier Dominic Perrottet said all gambling on poker machines would be cashless in five years' time, with self-determined limits, if he were to win re-election on March 25.

According to broker E&P, a 10 per cent reduction in Endeavour's NSW gaming revenue would result in a 1 per cent decline in group net profit. That is based on NSW representing 16 per cent of Endeavour's electronic gaming machine revenue.

Magellan was flat at $9.23 after reporting an increase in funds under management in January marred by net outflows of $500 million, including $300 million of retail money and $200 million pulled from institutions.

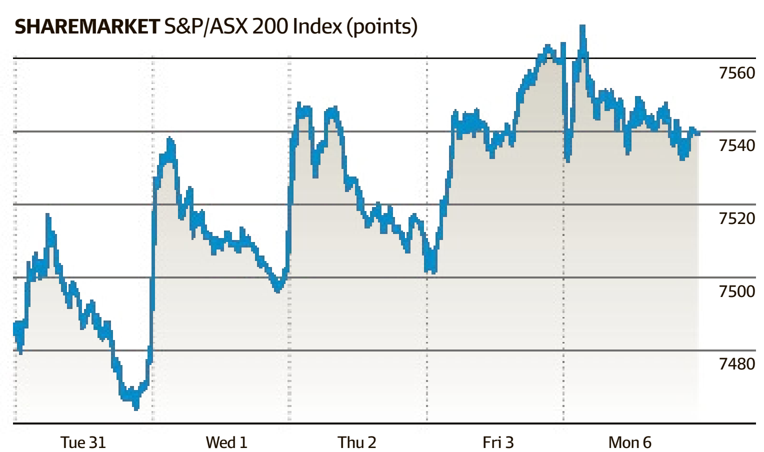
Total funds under management (FUM) still climbed to $46.2 billion at January 31 from $45.3 billion at December 30.

ARB dropped 0.2 per cent to $33.32 after reporting a 30 per cent decline in interim net profit. Its bottom line was within the range of $64.0 million to $64.6 million, a decline of 29.7 per cent from a year earlier. The profit result reflected the lower sales and the inflationary impact on the company's cost base, ARB said.

Downer EDI has been selected as the preferred applicant to deliver the Queensland Train Manufacturing Program (QTMP). The QTMP will support rail manufacturing in Queensland, as well as the Cross River Rail project and the 2032 Brisbane Olympic and Paralympic Games. The stock added 1.8 per cent to $3.92.

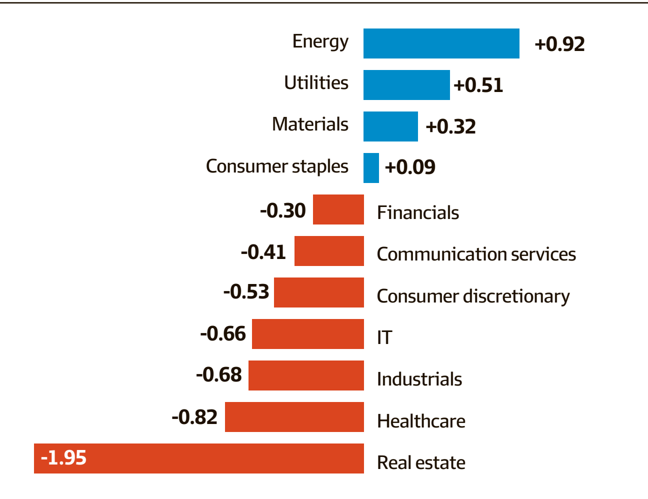
Revenue to Downer will be completed at contract execution, which is expected to occur in the coming months. Openpay was suspended from trading while receivers determine who will get paid back their money.

SHAREMARKET S&P/ASX 200 Index (points)

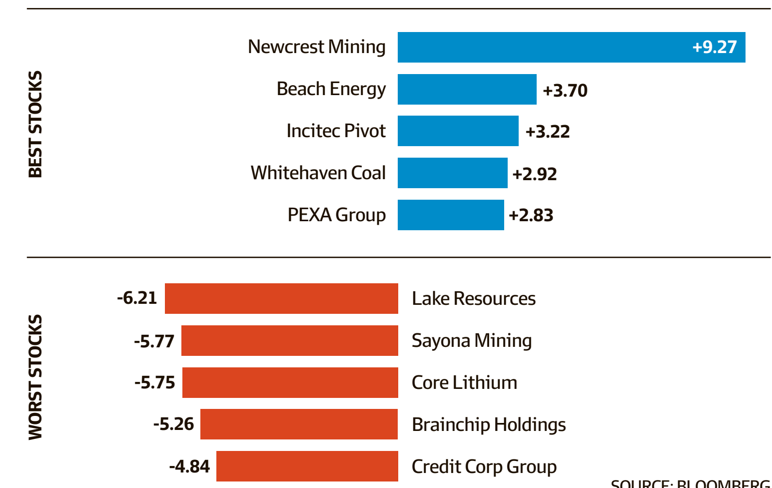


CURRENCIES $A/$US (US¢)

MARKETS Sector performance, Monday (%)



COMPANIES Stock performance, Monday (%)



SOURCE: BLOOMBERG

AVZ Minerals' licence revoked, stuck in Congo impasse

Dispute

Tom Richardson

Suspended lithium explorer AVZ Minerals faces a potential hammer blow after the Democratic Republic of Congo's mining minister revoked an April 2022 decree that granted AVZ's operating partner, Dathcom, a mining licence for its Manono lithium project.

The explorer, which boasted about owning the world's richest lithium deposit, last traded on a sharemarket value about $2.7 billion when it requested a trading halt last May 9, related to its mining and exploration rights for the Manono Project.

The January 28 decree from DRC Mining Minister Antoinette N'Samba Kalaymbayi, blames disagreements between Manono JV shareholders and the taking hostage of the project for the ministry's decision to revoke decree 00145 that awarded a mining licence to Dathcom Mining, in which AVZ claims a 75 per cent ownership interest.

The decree says persistent conflicts between joint venture shareholders, which include AVZ, Cominiere and Dathomir, were likely to paralyse the lithium operations at a time of urgency.

Yesterday morning, AVZ told the market that it had received of additional ministerial decrees dated January 28 concerning the Manono mining licence. It omitted to say the decrees were sent by *The Australian Financial Review* to the Perth-headquartered miner at the weekend.

AVZ said the DRC's minister of mines had cancelled a prior decree, which converted an exploration licence into a mining licence, and cancelled a ministerial decree acknowledging a partial renunciation of another part of Manono by Dathcom.

AVZ is now seeking legal advice regarding the decrees and also discussions with the relevant DRC authorities. In another twist, the *Financial Review* can report that Nigel Ferguson, the CEO of AVZ Minerals, and Congo's Ms N'Samba Kalaymbayi are both scheduled to be in Cape Town on February 6 to attend mining conferences.

AVZ did not respond to a request for comment whether the two would meet in Cape Town to discuss the legal issues around Manono. AVZ did not respond to a request for comment on the last date Mr Ferguson visited the DRC.

Bombshell order

Minister of Mines decree

ARRETE:

Article 1er: L'Arrêté Ministériel n° 00145/CAB.MIN/MINES/01/2021 du 25 avril 2022 portant octroi du Permis d'Exploitation n° 13359 à la société DATHCOM MINING SA est rapporté et ne peut produire aucun effet.

Article 2 : Le Secrétaire Général aux Mines et le Directeur Général du Cadastre Minier sont chargés, chacun en ce qui le concerne, de l'exécution du présent Arrêté qui entre en vigueur à la date de sa signature.

Fait à Kinshasa, le 28 JAN 2023

Antoinette N'SAMBA KALAMBAYI

The January 28 order says the secretary-general of mines and director-general of the Mining Cadastre are responsible for the execution of the order that revokes the operating permit for Dathcom under mining licence 13359.

Chinese mining group Zijin Mining, which claims a 15 per cent ownership interest in Dathcom, has also not immediately responded to a request for comment. Zijin is in a legal dispute at the ICC International Court of Arbitration with AVZ over ownership rights to the Dathcom stake.

AVZ is also in a separate ICC legal dispute with another joint venture partner named Dathomir over 15 per cent of the ownership rights to Manono under the Dathcom agreement.

Amid mounting legal disputes, AVZ also faces a class action funded by Australian law firm Omni Bridgeway for allegedly breaching its continuous disclosure obligations and misleading investors over its rights to Manono.

Omni Bridgeway's claim, to be run by lawyers Johnson Winter Slattery, alleges AVZ failed to adequately disclose information when making positive statements about its ownership or ownership rights of the Manono Project, and accordingly engaged in conduct that was misleading or deceptive, or likely to mislead or deceive, or was false or misleading.

The potential class action claim represents AVZ investors who bought shares between May 17, 2021, and May 6, 2022, when the miner went into a trading halt more than eight months ago.

The shares hit a peak $4.6 billion valuation at $1.33 per share last April.

And then on May 4, AVZ said the mines minister had awarded the licence, but that first Cadastre Minier had to sign off on surface rights fees before it would be officially issued.

Markets live afr.com Breaking news and analysis for what's moving the market, online daily and in *The Australian Financial Review*

Improved fiscal picture to make RBA's life easier

Interest rates

Cecile Lefort

The Reserve Bank's inflation fighting agenda has been bolstered by the government's promise to minimise budget handouts to Australians, before a widely expected ninth consecutive cash rate increase today.

The central bank is considered a certainty to lift the policy rate by 0.25 percentage points to 3.35 per cent from 3.1 per cent at its February meeting.

Treasurer Jim Chalmers dashed hopes of handouts in the coming May federal budget, amid signs of a return to surplus, arguing cost of living counter-measures must not further exacerbate inflation and interest rates. The treasurer said in Canberra that he did not want to make the central bank's job harder, or make life more difficult for households, by exacerbating consumer price pressures with subsidies.

"It's simple: if the government banks the bulk of the [large] revenue windfall to the budget bottom line, then it will make the RBA's job easier," AMP chief economist Shane Oliver said.

"Fortunately, the treasurer appears to be well aware of this. Any cost of living support is likely to be minor."

Dr Oliver said stronger than forecast commodity prices, notably for iron ore, coal and gas, were the main drivers of the improved fiscal position.

He estimates the 2022-23 deficit to be about $17 billion, down from the October budget expectation of $36.9 billion. For 2023-24, he projects $35 billion, down from the October budget expectation of $44 billion.

Queensland Investment Corporation (QIC) is also optimistic about the government's finances.

"We now expect a small budget surplus after the treasurer's comments that there won't be any handouts to ease the cost of living pressures," said Matthew Peter, chief economist at QIC, citing a stronger than anticipated jobs market, terms of trade and a resilient economy.

The annual inflation figure jumped to a near 33-year high of 7.8 per cent in the December quarter, just below the RBA's 8 per cent forecast.

Headline CPI rose 1.9 per cent over the December quarter, largely due to significant price rises in travel, accommodation and a long-flagged increase in electricity bills. More worryingly, the RBA's preferred measure of underlying inflation came in well above its last forecast, issued in November.

The RBA will update its projections on Friday in the statement on monetary policy, where it is expected to confirm that inflation peaked in the December quarter, and price pressures will ease this year.

"We expect the RBA will lower their CPI forecasts by 25 basis points to 50 basis points with a return to the top of the target band in Q4 2024 at 3 per cent," said George Tharenou, chief economist for Australia at UBS.

Australian inflationary forces have lagged behind other developed markets because they started from a lower point, particularly wages growth. Moreover, energy prices only rose late last year, while flooding in eastern Australia added pressure to food prices.

The median expectation among economists is for two rate increases this year and a terminal rate of 3.6 per cent. Bond futures indicate a slightly higher peak rate of 3.7 per cent, which means at least two more increases. The terminal rate has swung between 3.5 per cent and 4 per cent since January.

CBA and NAB forecast the central bank to lift the cash rate in February and again in March. Westpac and ANZ, however, pencil in a third and final move in May to 3.85 per cent before a long pause.

Retail sales volumes data, released yesterday by the Australian Bureau of Statistics, will reassure the central bank that its policy tightening is succeeding as it aims to return inflation to the 2 per cent to 3 per cent band. Real retail sales dipped 0.2 per cent in the December quarter, the first fall in a year, as consumers started to reduce spending because of higher borrowing costs and inflation.

The outcome was better than market forecasts for a 0.6 per cent drop, and is expected to dent economic growth only slightly.

Rates relief from the RBA is unlikely to arrive this year.

> **We now expect a small budget surplus after the treasurer's comments.**
> Matthew Peter, QIC

"We expect the RBA to be relatively dovish, and signal a pause at 3.35 per cent, by softening their 'tightening bias' to something like expecting an increase in interest rates may still be necessary over the period ahead, but the lower CPI outlook provides scope to consider a period of steady rates," Mr Tharenou said.

He argued that global inflation was cooling, and central banks have slowed their monetary tightening to smaller increments. The Bank of Canada is the first central bank to explicitly signal a pause.

UBS said a looming household cash flow crunch would sharply slow spending from mid-year. Australia has one of the highest household debt-to-income ratios in the developed world; UBS forecasts the central bank to start cutting the cash rate late in 2023 by a total of 0.75 percentage points in the next easing cycle.

The Australian dollar dropped sharply after a monster US jobs report lifted the greenback on speculation the Federal Reserve will raise interest rates higher for longer to secure its own inflation victory. Fed futures are now implying that the policy rate will peak above 5 per cent, and scaled back the chance of rate cuts this year.

The local currency broke below US69¢, from an eight-month high of US71.57¢ last week. It steadied at US69.57¢ yesterday.

Investors were forced to unwind bearish US dollar positions after US jobs surged by 517,000 last month, well above forecasts of 185,000.

Westpac senior currency strategist Sean Callow said he expected the local currency to stabilise after the RBA's policy decision. He forecast the Australian dollar to bounce back to US70¢, but not until the next set of US inflation figures on February 14.

The stocks Goldman thinks could surprise and disappoint the Street

Earnings season

Emma Rapaport

Qantas, Coles and Telstra are on Goldman Sachs' list of stocks most likely to surprise the market this earnings season, as the pandemic hangover lingers within Australian corporate profit and loss statements, and companies adjust to softer economic conditions.

Analysts have highlighted 17 ASX-listed stocks they believe could ambush the Street – delivering an earnings beat or miss, a guidance surprise, or capital management.

On the negative side of the ledger are diagnostics company Sonic Healthcare, dairy groups Bega Cheese and a2 Milk, and wagering giant Tabcorp.

Goldman analysts are upbeat about QBE Insurance, SME lender Judo Capital and appliance maker Breville Group.

At Sonic, healthcare analyst Chris Cooper warns that the market is underappreciating the degree of margin pressure since most costs are fixed but input inflation is running high.

He says the company trades at 21 times estimated financial 2024 earnings, or between 10 to 50 per cent above domestic peers facing similar industry headwinds.

"At the last earnings update, Sonic Healthcare stated that it expected COVID PCR volumes to sustainably settle at 10 to 20 per cent of peak, ie materially above current levels in key geographies," Mr Cooper said.

"Meanwhile, various pressures across the referral pathway are contributing to a base business recovery that is well below the level required to compensate for this decline in COVID PCR."

Consumer analyst Lisa Deng is positive on volumes in the supermarket sector, given the strong Christmas trading, but expects Coles' value-focused strategy – as compared with Woolworths' targeted promotions strategy – to result in lower comparable sales.

She also believes first-half margins will disappoint because of lower gross profit margins and higher implementation costs for supply chain facilities undergoing a transformation.

First-half earnings across ASX 200 companies are expected to hold up in the face of deteriorating economic conditions, with consensus earnings per share growth of 7 per cent.

Companies were in an upgrade mode across last month, including discretionary retailers JB Hi-Fi and Super Retail Group, as consumers spent big before Christmas despite sentiment weakening under the weight of higher interest rates.

Citi expects bank sector earnings to remain buoyant, with a 22.7 per cent growth forecast thanks to net interest margin expansion and benign asset quality. Resources sector earnings are expected to decline by 2.8 per cent.

"Surprisingly, earnings in the rest of the market have held up well over recent months, with 11.9 per cent growth expectations for FY23 unchanged," Citi Australian equity strategist Liz Dinh said.

Goldman analyst Niraj Shah says Qantas has the capacity to surprise even after upgrading its first-half profit expectations on higher than expected travel demand in the months leading up to Christmas, as consumers prioritised travel spending and domestic ticket prices rocketed.

"With the market capitalisation 8 per cent above pre-COVID levels and EV (based on last reported net debt) 10 per cent below pre-COVID, we believe the stock is not appropriately pricing Qantas' improved earnings capacity," Mr Shah said.

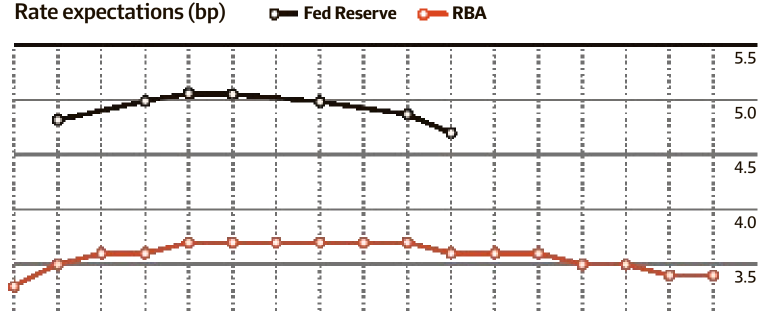
Sticking with travel stocks, analyst Darshana Nair Syama has a buy rating on Corporate Travel Management, and says negative earnings and valuation revisions are "unwarranted given ongoing strength in travel data points".

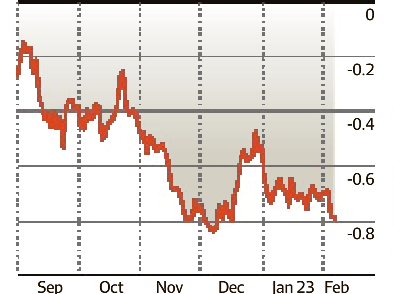
"We believe that the market has extrapolated the seasonal weakness over November/December for business travel as weakening indicators, because of which we expect this to surprise in both first half 2023 earnings versus the Street as well as outlook statements," she said.

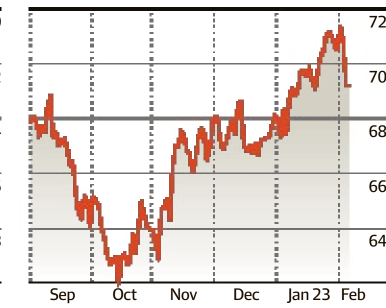
Ms Deng says Breville is set to benefit from the "global upward secular trend of coffee consumption", evidenced by "better-than-expected [fourth-quarter] results for key industry peer De'Longhi, with coffee machines called out as a more resilient growth category versus other small kitchen appliances".

She notes that Breville is one of the most shorted names on the ASX, with about 6 per cent of its stock in the hands of short-sellers, and expects a positive earnings surprise to drive the price higher.

"We expect the company to guide for financial year 2023 earnings before interest and taxes growth close to consensus/Goldman Sachs estimates at approximately 9 per cent respectively offering greater certainty on short-term earnings amid concerns of weaker industry trading," she said.







SOURCE: REFINITIV, FINANCIAL REVIEW

US shares pricing in a soft landing

Wall Street

Alex Gluyas

The new year rally on Wall Street is running out of steam, Goldman Sachs warned, with elevated valuations pricing in a soft landing in the world's No.1 economy.

China's faster-than-expected economic reopening, and a warmer European winter, made the investment bank more confident the the global economy will avoid a severe downturn.

This prompted Goldman Sachs to raise its three-month price target on the S&P 500 to 4000 points, from 3600. The index closed on Friday at 4136.48 points.

However, the broker warned that the upside for US equities remains limited, predicting that the S&P 500 is unlikely to end this year above its target of 4000 points.

Goldman said that stock valuations are already elevated compared to history – the S&P 500 trades at 18.4 times forward earnings – and will be constrained by an eventual rise in interest rates.

The broker added that earnings of companies on the S&P 500 are unlikely to increase much this year or next, even in the event of a soft landing.

Goldman Sachs' baseline forecast is for 0 per cent earnings per share growth in 2023 and 5 per cent in 2024. That compares with consensus of 1 per cent in 2023 and 12 per cent in 2024.

"Based on our conversations, equity investors are largely aware that consensus estimates are too high," said Goldman Sachs equity strategist David Kostin.

Goldman added that the October-December quarter reporting season in the US had been "unspectacular" so far.

The broker observed that slightly fewer companies have beaten earnings expectations than average, and more firms have missed. Goldman estimated that the S&P 500 would plunge to 3150 points in a recession scenario, driven by a combination of falling earnings estimates and a much lower price-to-earnings multiple.

The broker said another downside risk is that inflation would further slow, but fail to approach the Federal Reserve's target.

"This dynamic could lead to even tighter monetary policy and higher interest rates," Mr Kostin said.

Bond sale setback amid Adani stock meltdown

Fraud allegations

Ishika Mookerjee

The stock rout in Gautam Adani's indebted conglomerate entered a third week as its flagship firm suffered a fresh fundraising setback and a major credit rating agency downgraded the outlook on two of its companies.

All 10 of the group's stocks fell in early Mumbai trading yesterday. Flagship Adani Enterprises slumped as much as 9.7 per cent. The meltdown since US short-seller Hindenburg Research made fraud allegations against the group in a January 24 report has wiped out $US118 billion ($170 billion), or more than half of the market value of its companies. Adani has repeatedly denied the claims.

Ramifications of the relentless sell-off are spreading far and wide as concerns grow about the exposure that financial institutions and investors have to the conglomerate.

The tumult has disrupted parliament and India's main opposition party is ramping up the pressure on Prime Minister Narendra Modi over his silence on the issue. A nationwide protest planned for yesterday was intended to highlight the risk to small investors.

Meanwhile, worries about the conglomerate's access to funding are also rising. Adani Enterprises has shelved a key bond sale, Bloomberg News reported on Saturday, less than a week after it abruptly abandoned a record domestic stock offering. S&P Global Ratings cut its outlook on Adani Ports & Special Economic Zone and Adani Electricity Mumbai to negative on Friday.

"Adani did have a lot of debt, so in terms of the corporate governance there are always question marks around them," Catherine Yeung, an investment director at Fidelity International, told Bloomberg Television yesterday.

"This really reiterates how, especially in emerging markets, you really have to have an understanding of companies, really going to fine detail about their balance sheet."

The Adani Group's aggregate debt is "just about $US30 billion", chief financial officer Jugeshinder Singh told news channel CNBC TV-18 in an interview aired on January 30.

Adani's bondholders are consulting financial advisers and lawyers to weigh their options, seeking guidance on how the group's debt structure would be affected under various scenarios, including the prospect of regulatory and legal redress.

Nine of the conglomerate's 15 dollar bonds fell by early yesterday afternoon in Hong Kong.

Indian authorities stepped in over the weekend to calm frayed nerves over concerns about the turmoil, saying regulators are competent enough to deal with the fallout and banks' exposure to the group is within limits.

Gautam Adani said Hindenburg's conduct was "nothing short of a calculated securities fraud under applicable law". PHOTO: BLOOMBERG

Hindenburg Research accused the group of "brazen" market manipulation and accounting fraud, claiming that a web of Adani-family controlled offshore shell entities in tax havens were used to facilitate corruption, money laundering and taxpayer theft.

The conglomerate has called the report "bogus" and threatened legal action. Mr Adani gave a video speech last week stating that the group's balance sheet is healthy.

The stock rout has cost India its place among the world's five biggest sharemarkets, while the rupee is the worst-performing emerging Asian currency this year. Foreigners have pulled out $US3.8 billion from the nation's equities in 2023, the most among emerging Asian markets, excluding China.

A slew of quarterly earnings for the group will emerge in days, led by Adani Transmission's scheduled release last night, offering investors more opportunity to scrutinise its financial health.

"This week turns the focus to Adani Group companies reporting earnings – and their comments on the debt sustainability," said Charu Chanana, a strategist at Saxo Capital Markets.

"It is still necessary for Adani Group to coherently respond to the fraud allegations, and emphasise its sound financial position to restore investor confidence."

BLOOMBERG

Apple bites on China discount

Technology

Apple's latest iPhones are selling at discounts of more than $US100 ($144) in China, an unusually steep price cut just months after launch that suggests dwindling demand for even its highest-end devices.

JD.com and state carrier China Mobile are among the retailers taking 800 yuan ($175) off the iPhone 14 Pro range over 11 days. Retailers in the southern electronics hub of Shenzhen have also cut prices for the same handsets by 700 yuan, the official *China Securities Journal* reported after visiting outlets around the city.

Although it's unclear how long the cuts may persist, they point to weak demand in the world's largest smartphone arena just as Apple is counting on a recovery in China."The discount seems bigger than what we found in January, which was 3 per cent to 4 per cent," Jefferies analysts led by Edison Lee wrote in a Sunday research note. "We see that as a sign of weak demand."

Apple last week reported its first quarterly revenue decline since 2019, blaming output disruptions at its biggest manufacturing partner in China as well as sputtering global demand.

Smartphone sales are likely to contract again in 2023 after a decline last year, companies including Samsung have warned.

BLOOMBERG NEWS

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Karen Maley

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The teals face a tricky super question

One of the trickier questions facing the teal independents this year will be whether to throw their weight behind the Labor government's move to impose a cap on how much money people can hold in their super funds.

Now, it's clear that for thousands of affluent individuals, superannuation has turned out to be an extremely generous savings scheme.

Roughly 11,000 people have more than $5 million in their superannuation. At present, retirees with more than $1.7 million in super (this will rise to $1.9 million on July 1) can leave their excess funds in their accumulation account and enjoy a generous concessional tax rate of 15 per cent – which is well below the top marginal tax rate of 45 per cent.

Now with Treasurer Jim Chalmers continuing to emphasise the importance of budgetary discipline, the Labor government is anxious to find ways to boost tax revenues.

And one relatively easy solution is to limit the generous tax concessions on super, which favour the wealthy.

According to some estimates, putting a $5 million limit on the amount of money people can hold in super would raise some $1.5 billion in extra tax revenue.

Indeed, it's clear the government's strategy is to use the debate over the purpose of super as a way of building some sort of consensus for curtailing tax concessions.

Now this represents a problem for the teal independents who largely represent prosperous electorates – such as Wentworth which covers Sydney's eastern suburbs, and Melbourne's blue-blood seat of Kooyong – where there is a much higher concentration of people with large super nest eggs.

It's unlikely that very many people with $5 million or more in superannuation are Labor voters. Indeed, it's more likely that most voted either for the Coalition or the teal independents at the May 2022 federal election.

This puts the teal independents in an invidious position. On the one hand, they'll be reluctant to antagonise their wealthy supporters. But on the other, it's difficult to mount much of a case for retaining such generous tax concessions.

The teals, representing Australia's six richest electorates, have good reason to steer clear of the super debate. PHOTO: JAMES BRICKWOOD

Those opposed to imposing a cap on super tax concessions tend to argue that it will erode faith in the super system, and that it's unfair to change the rules now given that people have organised their financial affairs assuming that the concessions would remain.

But it's difficult to have too much sympathy for these arguments. After all, it's not as if people incurred huge costs in organising their affairs to take advantage of the ultra-generous tax concessions from super.

For most people, their extra costs would have been limited to seeking advice from a financial adviser or tax accountant.

What's more, these people have already reaped substantial financial benefits because they've enjoyed years of paying a low tax rate on their large super balances.

It's unlikely many people with $5 million or more in super are Labor voters.

It's certainly true that many people chose to take advantage of the generous super tax concessions by channelling any surplus funds they had into super instead of, for instance, paying off their home loans.

But even this financial strategy will have paid off for them, given the widespread rise in asset prices.

As a result, we're likely to see the teal independents try to steer well clear of the looming super debate.

Are zero-day options driving share rally?

There's no shortage of theories being advanced to explain the extraordinary "dash for trash" rally in the US sharemarket, which has had the tech-heavy Nasdaq shrugging off the unimpressive earnings reports from big tech firms to climb 10.6 per cent so far this year.

Some analysts believe the risk-on rally reflects growing optimism that US inflation is now cooling, which suggests that the Federal Reserve could be close to the end of its tightening cycle.

Others say US investors dumped their under-water stock positions late last year to crystallise tax losses, and this cleared the way for them to start buying early this year.

But a third reason is now being put forward to explain the outburst of market optimism this year: the explosion in the popularity of Zero Days to Expiration options (known by the acronym 0DTE).

In essence, these are very cheap, very short-term call and put options that allow speculative traders to place big bets on market moves.

Because of their short duration, 0DTE options are far cheaper than traditional, longer-dated options and this has made them extremely popular among speculative traders looking to leverage their portfolios.

The trading volume of these short-term options has risen so exponentially that it now greatly exceeds the turnover in the underlying securities.

Indeed, last Thursday, there was a record volume of call option trading, with the vast majority of expirations on February 2 and 3.

But not all traders are using short-term options to gamble on market moves. Some investors have switched to using short-term options after suffering heavy losses from the steep slide in tech stocks last year.

To reduce risk, they keep the bulk of their funds in money market funds, where they can now earn an interest rate of more than 4 per cent as a result of the US Federal Reserve's rate increases.

But they're also using a small percentage of their funds to play the market by buying 0DTE options, where they risk losing only the low price they've paid for the option.

Most traders using very short-term options focus on the SPDR S&P 500 exchange-traded fund, although there's also heavy trading in Tesla options.

But individual traders aren't the only ones enthusiastically trading these short-dated options. Institutional investors, including hedge funds, have moved their money from more expensive options to cheaper ones.

And it appears likely that the surge in demand for short-dated call options is leading to greater market volatility.

That's because the sellers of the options typically hedge their risk either by buying longer-dated calls on the stock or exchange traded fund, or by purchasing the stock itself. And this amplifies the upward pressure on the stock price.

Of course, heavy trading in short-term put options is likely to exacerbate any downward move in the sharemarket. And that could exaggerate the market's response to signs of a sharp slowing in US economic activity.

Interestingly, this surge in short-dated option trading isn't reflected in the VIX volatility index. That's because the VIX calculation includes only S&P 500 options with more than 23 days and fewer than 37 days to expiry.

As a result, VIX, which is also known as the fear gauge, has fallen below 20, signalling a relatively tranquil market, despite the frenetic trading in short-term options.

Inside ANZ's contrarian housing market bet

James Thomson

At first glance, it seems as though ANZ has got its timing all wrong with its $50 million investment in View Media Group, the property technology and media group established by veteran media executive Antony Catalano and billionaire investor Alex Waislitz.

As the Melbourne-based bank would know only too well, the bulk of the pain for Australian mortgage holders lies in front of them – so far, only about a third of the 3 per cent of interest rate rises delivered by the Reserve Bank have flowed through to mortgage rates.

And as a result, the great Australian house price slide that has taken the national median down 9 per cent from last year's record looks set to continue.

Morgan Stanley analysts still expect peak-to-trough falls of up to 20 per cent, with higher immigration likely to provide only a small amount of relief from the slide.

Through this lens, ANZ's investment in VGM, which means it will become a shareholder alongside Seven West Media, has a distinctly contrarian feel to it.

But for ANZ, this deal is far less about what house prices do over the next year and far more about how the mortgage industry has been transformed over the past decade.

Mortgage profitability has been deteriorating for more than 10 years, partly because of a long period of falling interest rates and partly because of the changing ways people secure mortgages.

Obviously the biggest change is borrowers using mortgage brokers; for most banks, as much as 60 per cent of their home loans are now sold through this channel.

But increasingly, borrowers are finding mortgages through digital channels. This includes online-only banks and other non-bank lenders, but it also includes mortgages sold at different points of what those in the sector like to call "the home-buying experience".

A good example of this is loans offered via property search portals – a borrower searching for a home is almost like a pre-qualified lead to a mortgage provider, so there's been a natural move by classifieds sites to do deals with lenders.

To be clear, ANZ does not have such a deal with VMG at this point. But the $50 million investment in the business and a commitment to "work with VMG to establish a proposed exclusive financial services partnership on key products" gives you an idea of where the two parties are heading.

If this partnership develops as planned, VMG websites such as realestateview.com.au might offer ANZ loans and other financial products to users. So rather than passively waiting for borrowers to come to them, ANZ gets a chance to engage at or close to the point of sale.

It should also be noted that Catalano, who has a good track record of building real estate media businesses, intends to form partnerships and ventures around various parts of the home-buying journey, including deals with utility providers that make it easy for borrowers to move into their new place. If you think about what else is involved when a borrower buys or rents, it's not hard to imagine tie-ups with moving companies, furniture retailers and insurers.

ANZ believes some of these service providers could come from within its institutional banking book, where ANZ is a market leader. Giving insto customers exposure to an ecosystem such as property could be a way for ANZ to protect its market share in this part of the banking market.

Indeed, ANZ has deployed this insto cross-sell strategy through its subsidiary Cashrewards, which it acquired in 2021; the venture generates leads for merchants by making cash-back offers to its database of customers.

The VMG investment is another example of the banking sector's embrace of what consultants and bankers like to call "ecosystem plays".

By interesting themselves in common customer activities that require financial products – particularly buying or renting a home and starting or developing a business – the banks hope they can drive growth by being in the right place when a customer actually needs them.

Finding a way to wrestle a little power back from the mortgage brokers probably doesn't hurt, either.

Property

www.afr.com | Tuesday 7 February 2023

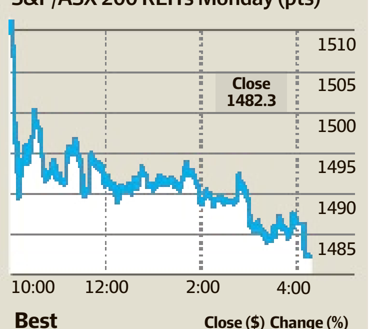
Inside

How it sold Mermaid Beach knock-down's surprise p33

AMP Capital Mall pain from discount sales p34

Property snapshot

S&P/ASX 200 REITs Monday (pts)



Best	Close ($)	Change (%)
PEXA Gp	13.44	+2.83
Charter Hall Long W	4.73	-0.42
Vicinity Centres	2.07	-0.48
Abacus Property Gp	2.93	-0.68
Waypoint REIT	2.80	-0.71
Worst		
Ingenia Gp	4.67	-4.11
Arena REIT	3.78	-3.82
Lendlease Gp	8.67	-3.34
Charter Hall Gp	14.81	-3.14
Cromwell Prop	0.74	-2.63

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Blackstone chases bigger slice of BTR

Nick Lenaghan
Property editor

Blackstone, the world's largest manager of privately held real estate with $470 billion on its platform, will step up its investment in build-to-rent in Australia, as it looks to increase its exposure to sources of inflation-beating growth in rental income, according to the global co-head of Blackstone Real Estate, Kathleen McCarthy.

Inflation and interest rate increases deployed by central banks to combat it have been the scourge of the property sector for more than a year; investors stripped more than 20 per cent from the local REIT sector alone last year.

The interest rates thematic has punctuated Ms McCarthy's trip to Australia. Last week, US Federal Reserve chairman Jerome Powell signalled inflation was easing, and today the Reserve Bank of Australia is expected to hand down what might be one of its final rate rises in the current cycle.

For Blackstone's real estate arm, generating rental income growth that can stay ahead of rising costs is paramount.

"Just about everywhere we invest and through the data – not only in our real estate portfolio but of course to our whole Blackstone ecosystem – we do see inflation metrics rolling over, coming down, which we think is a positive sign," Ms McCarthy said.

"But the great news for us is that we have been preparing for a higher interest rate, higher inflation environment for a very long time."

As a result, Blackstone has directed its real estate investment into warehouses, rental housing, hospitality and life sciences accommodation. Those areas constitute about 80 per cent of its real estate portfolio.

Kathleen McCarthy, global co-head of Blackstone Real Estate. PHOTO: DYLAN COKER

"These are all asset classes where we are able to drive strong cash flow growth, which is really helping to mitigate an environment where there's downward pressure on valuation multiples," Ms McCarthy said, speaking from Blackstone's new Sydney office at Deutsche Bank Place.

Australia figures prominently in the global real estate portfolio managed by Blackstone, which is one of this country's most active foreign investors in commercial property. It has about $23 billion under management and an expanding head count, now 55 strong, to manage that pool.

So far, Blackstone has investment in just two build-to-rent projects – one in Melbourne's south-east and the other at Brisbane's Kangaroo Point – despite holding a large portfolio of rental housing in the US, UK and Europe. That gives it good reason to develop its BTR portfolio further in Australia where, similar to other markets, the supply of housing is not keeping up with demand, according to Ms McCarthy.

"We would love to find opportunities to do more if we can," she said.

Also high on the list for Blackstone is logistics investment. Although the US giant famously set a direct property sales record two years ago when it divested its Milestone logistics for $3.8 billion, only to quickly resume investing in the sector.

Far less convincing for Blackstone are the traditional areas of commercial property investment: shopping centres and CBD office towers. The proportion of its global portfolio devoted to office towers is in the "low single digits", while the investment house has not bought a US mall in more than a decade.

One of Blackstone's best-known moves in Australia is its $8.9 billion takeover of Crown last year, prompting speculation it might one day engineer a spin-off of the casino giant's property assets. But Ms McCarthy said it was too soon to even consider such an option while Blackstone focused on reviving the Crown properties as hospitality destinations.

"It's early to talk about something

Continued p33

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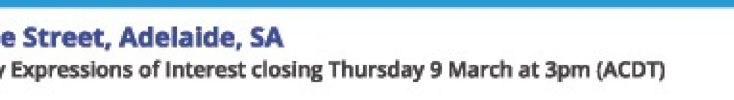
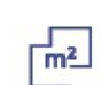


99 Frome Street, Adelaide, SA

For Sale by Expressions of Interest closing Thursday 9 March at 3pm (ACDT)


3,432m²* of Net lettable area

56* secure on site car parks

79%* occupancy with value add potential

Estimated fully leased income of $1.28 million*

4 Star NABERS rating

400m* to Lot Fourteen

99 Frome Street is offered for sale for the first time since being constructed. Perfectly position in Adelaide's popular East End, the building is well positioned to benefit from the world leading $672 million* Lot Fourteen project on North Terrace.

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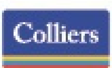
Constructed in 1988 the building has been well maintained and presents in a very professional condition, enjoying a 4 star NABERS rating and valuable on site car parking for 56* vehicles.



Alistair Mackie 0412 817 977
Rhys Newman 0477 881 265
Paul van Reesema 0412 806 994

colliers.com.au/p-AUS66019546

* Approx.

Mermaid Beach knock-down draws $2.7m surprise

How it sold

Michael Bleby

We speak to the team behind last week's most intriguing property sale.

The property: A four-bedroom house on 405 square metres at 28 Arthur Street, Mermaid Beach, Queensland. Sold at auction $2.7 million.
Who was the agent/agency? Conner Malan, Ray White Burleigh Group.
How long was this on the market? Four weeks.
Why did this one sell? [Malan] It was a deceased estate. The lady who used to own it passed away and left it to the RSPCA.
Was it overpriced? It was a big price. It should really be sitting at $2.2 million-$2.3 million, but there's limited supply in this sweet spot and suddenly it went for $2.7 million, which is very, very high for what it is.
What did you think it would go for? I thought it would go for between $2.4 and $2.5 million.
What was surprising about it? As that market's turned, supply has dropped. Demand hasn't changed. The doom and gloom is the reason there is limited supply. But demand hasn't slowed down. The people we're dealing with are oblivious, barely affected or less affected by interest rate rises.
Why aren't they affected by rising rates? They're mostly downsizers. They've sold, they're mostly paying cash. They're coming out of Melbourne or Sydney, making a lifestyle move or coming from acreage or bigger blocks. They might have one kid left at home, but they're mostly couples.

We're finding that middle ground. [In Gold Coast] you go from units, everyday beachside units under $1 million, to housing stock that is $4 million-plus. The demand's really strong for that middle ground.

Everyone wants to make a move, live by the beach and live a simpler travelling life. We've got people trying to shop in a price point and strong competition in price point that is limited.

> *Everyone's shopping for stock in that $2-$3 million middle ground.*
> Agent Conner Malan

Why is this suburb different? We're low density there [in Mermaid Beach]. Height restrictions are low – it keeps that village lifestyle. There's a suburban feel next door. But because many people don't have the budget for a $4 million-plus house, everyone's shopping for stock in that $2-$3 million middle ground, where you either already have a shack or a duplex. We've got a lot of people happy to do little builds but they aren't in a position to be shopping for the big $4 million, $5 million-plus stock of houses.

Most blocks are 405 square metres. Zoning allows between 12-15 metres for height, which allows you to do three or four whole-floor apartments on that block, all priced in at $2-$3 million. The demand for that type of product is through the roof.
How did the auction play out? It started quite aggressively. There were four bidders engaged early. It went $1.8, $2, $2.1, $2.2, $2.3 million with four bidders. There were two locals left – everyone else bowed out from $2.3 to $2.7 million. Both locals lived in surrounding streets. The locals see the most value in this product.
Were the bidders in a similar age range? They were. They were everything between 50 to early 60s.
What are the buyer's intentions? Street frontages in Mermaid Beach are either 10 metres, 12.6 metres or 14.6 metres. This is only 10 metres. They're weighing up renovating the existing home and flipping it, or doing a duplex – one unit on top of the other. It would have ground-level parking, a first-level unit and another level on top with a rooftop.
How much would that cost? Build costs are changing, but it would be about $2.5 million.
Do you reckon we'll see another result like this: a) next week b) next year c) next cycle d) never? a) Next week. We're taking on a listing that is very similar stock, and I've got a buyer for it. It's as good as sold.

Mermaid Beach's lower-density zoning creates a suburban feel that attracts many downsizers. The four-bedroom house at 28 Arthur Street (below) sold for $2.7m.

Pakenham hotel sale

A Melbourne-based investor has bought the 64-room Mercure Pakenham hotel in the city's outer south-east for $15.8 million on a yield of 5 per cent. The hotel, which opened last September next door to the Cardinia Club, was sold by Traralgon-based BFN Developments headed by Brett Neilson. Stonebridge's Rorey James and Kevin Tong in conjunction with Wilson Property's Ben Wilson and Emma Dunne negotiated the sale. LARRY SCHLESINGER

Sequoia appointment

ASX-listed Sequoia Financial Group has appointed Winston Sammut to the role of investment manager at Sequoia Asset Management. Mr Sammut brings to the role over 40 years of investment knowledge including 20 years in specialised listed property securities experience. Mr. Sammut was head of listed securities with the ASX-listed property fund manager Charter Hall Group and before that he was at ASX-listed Folkestone Ltd and Ausbil. NICK LENAGHAN

From page 32

Blackstone chases bigger slice of BTR

like that. We've certainly seen elsewhere in the world that kind of split has created an opportunity to unlock value beyond just the operational improvements that we make as value creation initiatives," she said.

Less well-known but just as active is Blackstone's lending business, where dislocation in the debt markets has also created opportunity to finance other property players. At the same time, a market where access to finance was limited played to the strength of cashed-up players such as Blackstone, according to Ms McCarthy.

"You're in an environment where debt capital may be more constrained, maybe more expensive. That tends to create opportunities for us because it favours people who are well-capitalised," she said.

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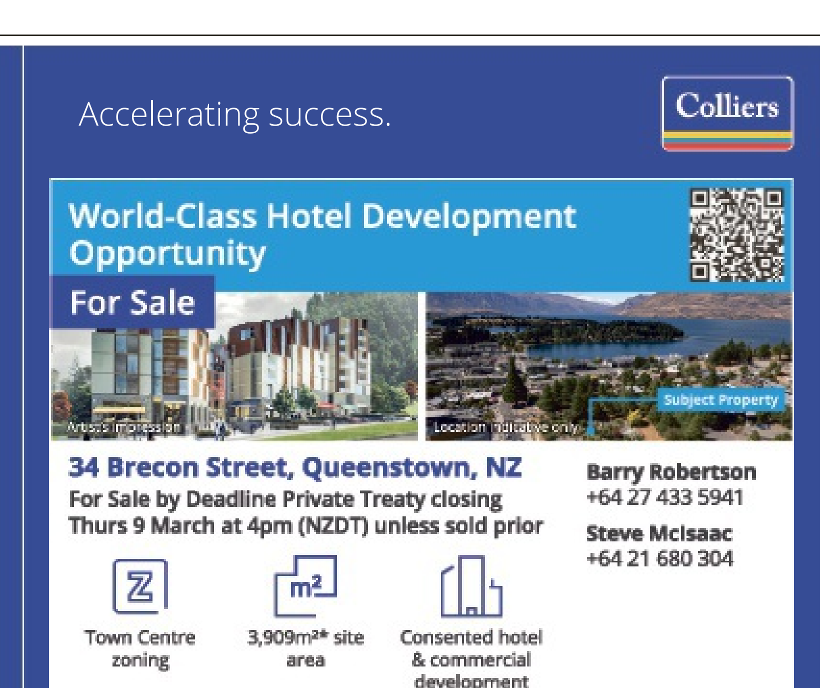


Bought for $300m, sold for $180m: AMP's mall pain over discounts

Nick Lenaghan

AMP Capital, the fund management arm of AMP, is selling shopping mall stakes at steep discounts worth hundreds of millions of dollars to meet investor redemptions, as it prepares to quit the investment platform.

In one recent deal, the AMP-owned fund manager sold a half-stake in a Perth mall for about $180 million late last year, after acquiring it six years earlier for about $300 million.

It is also looking to sell a 50 per cent stake in Stockland Townsville – the ASX-listed Stockland owns the other half – for about $150 million, its current book value. The fund manager purchased its half stake nine years ago for nearly $230 million.

This is the second time for the Townsville opportunity, which AMP Capital initially moved to sell in late 2021, without success.

Both mall stakes are held in the AMP Capital Shopping Centre Fund, one of a group of real estate and local infrastructure funds with assets totalling about $18 billion and whose management is being sold to ASX-listed Dexus.

The value of that deal to AMP has steadily been eroded after it was signed with Dexus last April when the platform had about $28 billion in property and local infrastructure assets under management. Since then, investors in several funds opted to shift their business to another fund manager, diminishing the total pool of funds under management. That leakage, combined with delays in finalising the transaction, will reduce the total payment AMP receives, which is now down to $225 million with no earn-out fee, as initially agreed.

The mall sales have been prompted by AMP Capital's need to fund more than $600 million in redemption requests from about two-thirds of the nearly 30 institutional investors in the $3.5 billion wholesale shopping centre fund. Those requests were lodged as part of a "liquidity window", through which investors can withdraw a maximum of 25 per cent of their units every five years.

A rival proposal from ASX-listed GPT Group to prise the shopping mall fund loose from the AMP Capital platform and merge it with one of its own unlisted funds ran out of puff last month after a quarter of the investors in the GPT-run fund rejected the plan.

"Accordingly, as there is not a high degree level of conviction that the merger is achievable, at this stage, the merger discussions are not continuing," GPT said in a letter to investors last week.

Although AMP Capital is a motivated seller, the sale of the Perth mall and the Townsville offering send a strong signal on pricing for the retail property market, which was showing signs of recovering from the turmoil of the lockdowns. A fresh jolt of uncertainty hit the market last week, with the release of retail figures showing a surprise slump in retail spending in December.

AMP Capital struck a deal in late December, brokered by CBRE's Simon Rooney, to sell the Rockingham shopping mall, in Perth's south, to boutique fund manager IPG Generation for about $180 million, with the net deal price likely to end up at about $170 million. The mooted sale represents an initial yield of more than 8.5 per cent for a mall that is virtually fully occupied and recording strong sales growth. CBRE said the deal was struck on a core capitalisation rate of 7 per cent.

Also up for grabs is a half-stake in the 45,000 sq m Stockland Townsville. In its favour, the offering is coming into one of the strongest corners of the national market, with Queensland's share of retail deals accounting for more than 40 per cent of total sales volumes in 2022.

Only one deal was struck among regional malls over the past year – for $280 million – well short of the average tally over the past decade of $1.2 billion worth of regional centres trading annually.

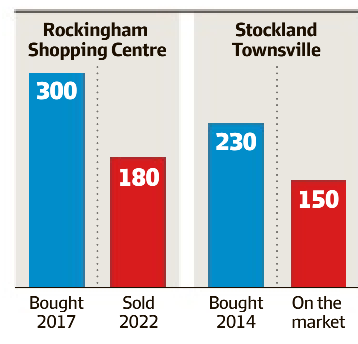
"The offering comes as investment into regional centres reaches record low levels off the back of a resurgence in activity in the latter end of 2021," said JLL's Nick Willis, who is the broker for the Townsville stake along with his colleague Sam Hatcher.

Meanwhile, family development group Horwell Property Investments has bought Westpoint Shopping Centre in Browns Plains, about 20 kilometres south of the Brisbane CBD, for $46.5 million from an NSW-based private investor. CBRE's Joe Tynan and Michael Hedger brokered the deal, achieving a yield of 5.44 per cent.

AMP Capital struck a deal in late December to sell Perth's Rockingham shopping mall for about $180 million.

Priced to go

AMP's half-stake mall sales ($m)



SOURCE: FINANCIAL REVIEW

Residential and retail to gain as China opens again

Michael Bleby

Residential development will get a lift from China's reopening but the return of visitors from the world's second-largest economy will not be sufficient to offset domestic weakness dogging retail property, says a new UBS report naming Stockland, Goodman, GPT and Lendlease as stocks to benefit.

At a time of little new apartment supply, Australia's residential developers will benefit from returning demand from migrants and logistics developers will also get a boost, the investment bank report says.

"We maintain a favourable view on diversified/residential developers with a preference for Stockland over Mirvac (FY23 earnings uncertainty and capital required for developments)," the 2023 *Asia Pacific Real Estate Outlook* says.

"We have moderated our view on retail relative to 2022 (Scentre Group Neutral, Vicinity Centres Sell) as we head into a more difficult retail sales growth environment after a strong period of outperformance. We continue to take a cautious stance on office markets but increasingly this is reflected in share prices."

Interest rates are rising globally and these still make the environment tough for listed property stocks but the stocks that had higher growth and lower gearing would be more resilient to higher borrowing costs, the report says.

Lendlease's One Sydney Harbour residences.

Australia is lower down the list of countries to directly benefit from China's reopening, below Singapore, South Korea, Hong Kong, Japan and Thailand.

In any event, short-term headwinds such as restrictions on Chinese travellers and airport capacity shortages could slow the pick-up in overseas travel growth, with traffic from China only exceeding its pre-pandemic level in 2025, the report says.

Federal government agency Austrade predicts Chinese tourism to Australia will not return to pre-pandemic levels until 2026.

Nonetheless, Lendlease was likely to benefit from sales to China-based buyers of luxury apartments in its One Sydney Harbour and One Circular Quay developments in Sydney, and from selling down its China-based retirement stock, which UBS valued at $300 million-$400 million.

Further, its holding in the S$3.6 billion ($3.9 billion) Singapore-listed Lendlease Global Commercial REIT further exposed the Australia-based company to a pickup in the performance of Singapore retail property from Chinese visitors, the report says.

Mirvac was likely to benefit from premium apartment sales to China-based purchasers in projects such as Willoughby and Green Square in Sydney, it says. CBD shopping centres owned by Vicinity and Scentre Group would benefit from a rise in Chinese visitors, but "we believe this will not be enough to offset the weakness of the domestic consumer on the back of materially higher mortgage rate (post resets) in 2023."

The bank said logistics property would benefit from "excess" rent growth, good for companies including Goodman and ESR, but was cautious on office – and stocks such as Dexus.

FOR SALE

Ultra Convenient Retail Centre

Midland Central Shopping Centre, Great Eastern Hwy, Midland WA

Offers to purchase close 4pm (AWST) 8 March 2023

Fully leased to three 'daily needs' tenants

City Centre location

WALE of 5.4 years by income as of March 2023

$1,237,525 pa current net income*

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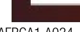

Mistaken objections to Voice

As a former student of James Allan, I have learnt to respect his opinions while usually disagreeing with them. "This is a terrible way to change Australia's Constitution" (January 29) was different. This piece was culturally insensitive and factually inaccurate. It was an unhelpful contribution to the debate about the Voice to parliament, replete with wild assertions and false analogies. As an academic with a long career in public and constitutional law, Professor Allan can, and should, do better.

To take one example, he claims: "This Voice will turn into a de facto third legislative body." He is not alone in this mistaken view. He is joined by a line of former Liberal Party leaders and right-wing commentators who have all made similar dog whistles about the dangers of creating a third chamber. I would be more inclined to listen to the views of constitutional law experts.

Ask professors George Williams, Anne Twomey, Cheryl Saunders and Gabrielle Appleby. They will all tell you that the Voice will not have legislative powers, veto over legislation or formal powers to participate in the decision-making processes of parliament. It is proposed to be an advisory body.

Professor Allan would do better to listen to his colleagues rather than the political right, or read the proposals himself. If he did, he would see very quickly how baseless his assertion is.

Jane Hall
Manly, Qld

Pat Dodson and Anthony Albanese at the PM's meeting with the referendum working group. PHOTO: JAMES BRICKWOOD

Blundering through a cultural minefield

Sometimes I wonder whether Alexander Downer is for real or merely Sir Les Patterson in a clean suit. Dismissing the proposal for an Indigenous Voice ("Indigenous Voice won't close the remote cultural gap", February 1) he blunders breezily through a cultural minefield, detonating sensitivities with every step. "The great glory of Australia," he advises us, "is that it is built on the principle that every person is of equal value and that we give no special privileges to people on the basis of their race."

Unfortunately, Australia was built on quite the opposite principle. At Federation, the Constitution empowered white people. In August 1901, introducing the law that mandated White Australia, Alfred Deakin proposed that "unity of race is an absolute essential to the unity of Australia". He hoped the Indigenous people would "in their last hours ... be able to recognise not just the justice but the generosity of the treatment which the white race, who are dispossessing them and entering into their heritage, are according them".

The Voice, according to Downer, would be the start of a slippery slope. The next step would be "to negotiate a treaty and set up a truth-telling process". I guess if your signature achievements as a minister were to invade Iraq and Afghanistan, truth-telling processes may not figure highly on your bucket list.

Jon Stanford
Sandringham, Victoria

Downer's prediction offers some hope

Alexander Downer's contribution to the Voice debate is nothing if not predictable. In fact, those supporting the Voice referendum should feel more confident of its being passed now that he has predicted its failure. This is the same Downer who confidently predicted Donald Trump would win the 2020 election, that Vladimir Putin would not invade Ukraine and that we should "expect [Boris] Johnson to remain PM of the UK for some time to come". It makes one wonder just what it takes to be so confident but so wrong so often on so many issues, and still have his opinion sought – on anything.

Ralph McHenry
Brighton East, Vic

There are many voices our legislators ignore

We appear to have reversed the relationship between voters and their elected representatives. It is not for parliamentarians to rule over us while we clammer for an opportunity to be heard by some Voice. It is for parliamentarians to listen to their voters and act to provide what they want.

The Australian people love and respect our Indigenous communities and want them to prosper. Voters will not tolerate legislators persistently ignoring them. Simply take a look at the Closing the Gap reports. What a disgrace. Nothing closing there after years of no meaningful action.

Parliamentarians should listen to voices in every electorate. We do not need a special body, and we are not going down the path of becoming a race-based society.

Kevin John Connor
Greensborough, Vic

We can't afford to neglect plastic waste

One of our "quiet achievers" has been the growth of the waste stream of single-use plastics, along with the growth of new single-use plastics from fossil fuels rather than recycled plastics. Tom McIllroy ("The globe has more single-use plastic waste than ever", February 6) points out that growth in new plastics is 15 times the rate of growth in recycled plastics. Pressure to reduce fossil fuel use for energy production and even transport is building, but this quiet counterforce is requiring fossil fuels in increasing amounts. Recycling is clearly not working well, and our use is growing.

This is not just about the appalling waste pollution. It's an argument for the fossil fuel industry to continue its search for more oil, and it's based on our demand. Single-use plastic should be seen as the costly choice that it is, and be as much a part of the carbon reduction plan as the energy and transport sectors.

Carolyn Ingvarson
Canterbury, Vic

Carbon capture does not look like a solution

The Australian Petroleum Production and Exploration Association contends that it will be "virtually impossible" to achieve net zero emissions by 2050 without carbon capture and storage ("'Let market work' to unlock more gas, industry urges", February 6). This is likely to be true. To date, however, it is difficult, if not impossible, to find an example of CCS that has delivered the promised carbon storage. The other impossibility, according to the International Energy Agency, is holding warming to 1.5 degrees while still adding new fossil fuel investment to the mix. Unlocking more gas is not compatible with a safe climate future. CCS is APPEA's favourite greenwashing smoke and mirrors.

Amy Hiller
Kew, Vic

Sensible approach to safeguard mechanism

Business is concerned about the lack of Coalition support for the government's safeguard mechanism, especially the possible removal of offsetting ("Business dismay at Coalition retreat", February 1). But Greens leader Adam Bandt is not totally against "carbon credit offsets", which he would accept "as a last resort". This is a sensible path forward and parliament should agree.

Barbara Fraser
Burwood, Vic

Market-led economy doesn't deliver for all

Jennifer Westacott provides zero evidence a market-led economy has furnished us "with almost three decades of uninterrupted economic growth" ("Unleash the private sector: Business Council", February 1). We have had six decades of uninterrupted economic growth excepting 1983, 1991 and 2020. The market-led economy myth also conveniently neglects to mention that CEOs in Australia received pay rises nine times greater than workers in the past year, when already receiving 78 times the pay packet of the average worker. Increasing inequality has never ended well economically.

Yet Westacott is worried about tax cuts for these CEOs. According to the Australia Institute, the stage three tax cuts will cost more than $240 billion over 10 years, of which $117.6 billion will go to those earning more than $180,000 a year.

Do we want to end up like the world leader in the benefits of lower taxes and a market-led economy, the US, with $20 million CEO pay cheques and worse infrastructure, health, education, and a lower life expectancy?

Nick Aurelius
Bondi, NSW

Will ABC strike mean radio (and TV) silence?

I can't imagine what the ABC staff would be threatening to do ("More than 1000 ABC staff file for 'circuit breaker' strike action", February 3). Go quiet, maybe? I'll risk that for an initial 10-year trial. Go for it, ABC.

Wayne Williams
Fremantle, WA

Letters should be 250 words or fewer and may be edited for clarity and length. edletters@afr.com.au
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Rear Window

From back page

From back page

professional life, bullshit wins the day?

Swinburne is a financial member of *The Conversation*, whose tagline is "academic rigour, journalistic flair". Curiously enough, Pollaers' offending bio has now disappeared from the site. Thankfully, it was already captured by the Wayback Machine, where you can still view it.

Still no explanation from the professor ...

Odd alliances in No campaign on Voice

Opposition to the Voice tends to bring about unusual alliances. What other issue could unite anti-woke Country Liberal senator **Jacinta Nampijinpa Price** with firebrand ex-Greens senator **Lidia Thorpe** (the former wants to send in the police, the latter would probably like to defund them).

And then, there's the joining of Price with **Gary Johns**, a former Labor politician appointed by the Coalition to head the Australian Charities and Not-for-profits Commission in a bid to rein in the political activism of charitable groups such as GetUp!

Price and Johns are now both founding members of Recognise A Better Way, a new body formed to campaign against a constitutional Indigenous Voice to parliament. Funnily enough, in 2019, Johns was head of the Charities Commission when it revoked the charity status of Yangapi Productions, of which Price was the sole director.

John Pollaers at the AGL AGM in November last year.

Yangapi produced Indigenous children's television programs, and received government grants for this purpose in 2015 and 2017. Yet by August 2019, its charity status had been revoked by the commission as a "double defaulter", for twice failing to submit financial records.

We asked Price to explain the circumstances of the revocation. In a response from her defamation lawyer, we were told that by that stage, the charity had been basically non-operational. Nonetheless, accounts for 2017 and 2018 were completed and signed. These weren't lodged with the Charities Commission because of an "administrative error", "primarily because the company was in the process of deregistration". Though it seems the Charities Commission ended up forcing the issue first.

As for Johns, he resigned his position as charities tsar last June, a few months before the end of his five-year term. It marked an end to what Assistant Minister for Charities **Andrew Leigh** called "the Liberals' nine-year war" on the sector. Not that one should be too dismissive of the need for not-for-profits to submit their financial accounts promptly.

Johns now finds himself on the other side of the fence as a director of a charitable campaigning organisation, with Price, ALP president-turned-Liberal Party candidate **Nyunggai Warren Mundine**, former Nationals leader **John Anderson** and other Voice sceptics. And given his background, we can surely expect its paperwork to be prompt.

Consultant's picnic at Newcrest drawing to a close

Should Newcrest disappear as an independent company, management consultancy McKinsey could lose a lot of work from an extremely valuable client.

Monday's revelation of an all-scrip $24.45 billion approach by the world's biggest gold miner, Newmont, for the ASX-listed Newcrest hasn't been immediately dismissed by Newcrest's board. And in considering how Newcrest might change under new ownership, some are pondering the savings to be found in the strategy budget.

A hallmark of Newcrest's challenging management culture in recent years has been a marked reliance on external consultants. Chief among these was McKinsey, whose wonks have lately been involved in everything from mine operations to data science initiatives, and whose research is cited in Newcrest's sustainability and diversity reports as well in the speeches of then-CEO **Sandeep Biswas** to external bodies.

A Newcrest spokesman on Monday defended its use of consultants, which he said occurred "at appropriate times". He also dismissed claims of a $500 million spend on external advice over the course of Biswas' nine-year tenure at the company, calling it a "gross exaggeration" that is "orders of magnitude wrong". (Biswas abruptly left the company last December – search firm Russell Reynolds is hunting for his replacement.)

This newspaper has previously written that the company's heavy use of external consultants had left many employees feeling "bypassed, not trusted, undermined, superfluous and ultimately insecure in their jobs". It also noted that the company uses the McKinsey-owned and operated Organisational Health Index to gauge employee sentiment on its culture. Which, if nothing else, is utterly ironic.

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TELECOMS' SORRY TALE OF WASTAGE

Extract From Aussat's birth 30 years ago to NBN's huge write-off last year, the sector has struggled to find a clear path that benefits the entire nation, writes **John Doyle**.

The Aussat B-Series Satellite X2 (top). Tony Staley (above) in 1976. Above right: Bob Hawke and Kim Beazley in 1988, just two years before the latter was tasked with sorting out the government's Aussat problem. PHOTOS: FAIRFAX ARCHIVES, DAVID JAMES BARTHO

On a spring afternoon in Canberra, a youngish communications minister announced an ambitious infrastructure project that would "bring major benefits to millions of Australians". The government would create a state-of-the-art national network to meet the country's "burgeoning demand for communications services".

The project would stimulate innovations across health, education, science, business and more, and "encourage people to live and work in remote areas". It would be developed and run by a new government-owned enterprise, which was flagged for later privatisation.

The cost would be huge, but the prime minister and key government and industry figures were convinced of the project's promise. Australians were "on the threshold of a great new era", the minister pledged, for they were to "join in one of the greatest technological innovations in communications history".

The media was mostly onside. A national newspaper lauded the project's "plain common sense" for "a land as vast as Australia". The opposition walked a fine line, targeting the government on costs and planning deficiencies while trying to avoid being cast as anti-progress.

Later, a new government substantively changed the project's policy and operating parameters. There were cost blowouts, revenue shortfalls and rollout delays. As early promises failed to eventuate, contention grew. Fingers were pointed and conflicting perspectives passionately debated. The ultimate resolution satisfied no one.

This account may seem familiar, especially coming amid a renewed burst of energy in Australia's perpetual debate about broadband politics after NBN Co's pre-Christmas decision to write off $31.5 billion in network costs. Yet it refers not to the Rudd government's announcement of the NBN in 2009, but to the Fraser government's decision to establish the National Communications Satellite System and Aussat in 1979, 30 years before. The youngish communications minister in question was Liberal MP Tony Staley, not Labor's Stephen Conroy.

History reminds us that today's NBN does not represent some sort of technological end of history. Rather, it sits on a continuum of decisions, actions and institutional arrangements. The Aussat story shares striking parallels with that of NBN Co, and offers some warnings about the path ahead.

The initial political momentum for a national satellite system came from an approach to Malcolm Fraser in mid-1977 from Kerry Packer. For Packer, satellite was the key to unlocking cricket broadcasting beyond his metropolitan television network. With his rural ties and sense of Australia's proper place in "the modern world", Fraser was receptive to Packer's upbeat account of Canada's national satellite system and its potential to close Australia's city-country gap.

The cabinet agreed that detailed investigation was merited and established a taskforce to do the job. The Overseas Telecommunications Commission's (OTC's) redoubtable boss, Harold White, a long-term satellite proponent and proven campaigner, was put in charge. The government's deliberative process led inexorably towards an affirmative recommendation. In July 1978, the taskforce recommended that the government proceed with planning for a satellite system and that it establish a new state enterprise to run it.

However, the responsible minister, Staley, initially preferred Telecom – created as an autonomous government enterprise in 1975 by the Whitlam government – to set up and operate the new system. He was "desperate that we have a satellite" and considered that handing the project to Telecom would be the fastest and simplest way forward.

The NBN project has frequently been mired in controversy and recrimination.

But there was a mismatch of perspectives between Staley and Telecom's managing director, Jack Curtis. Staley's presumption that Telecom would comply with his wishes sat uncomfortably with Curtis' legitimate focus on Telecom's own strategic priorities, which did not include a new domestic satellite system, as well as a degree of institutional hubris that led Telecom to mishandle the politics.

Staley decided that if he could not work with Telecom, then he would go around it. In a move that shares strong similarities with the Rudd government's establishment of NBN Co, Fraser's government decided to establish Aussat as a government-owned company, with an aspiration to privatise up to 49 per cent of it at some point.

The project's economic viability was questionable from the start. The cabinet moved forward based on aspiration, not hard numbers.

The establishment of Aussat inserted a disruptive force into Australia's telecommunications system. It meant that from the mid-1980s, when satellite came online, there would be a standalone government enterprise with the technical potential to replicate hitherto Telecom-only services. This had profound implications for the structure and assumptions that had underpinned telecommunications provision.

Aussat became a lightning rod for parties both for and against liberalisation, and triggered defensive responses from Telecom, which accelerated the rollout of its data networks and some rural programs.

A Labor factional deal by the Hawke government in 1983 jeopardised Aussat's commercial viability. It enabled Telecom to take a 25 per cent stake in Aussat and two board positions, which, combined with new restrictions on the scope of Aussat's activities, put it in the box seat to ensure that the satellite company served Telecom's own interests.

From 1987, national economic imperatives drove the Hawke government's dramatic shift to an agenda of telecommunications liberalisation in the face of resistance from Labor's caucus and base and ambivalence from Telecom.

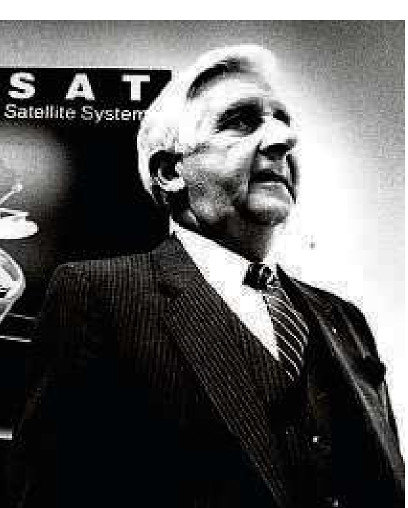
By the latter half of 1989, Aussat's accumulated losses were more than $118 million. As its once bullish managing director, Graham Gosewinckel, conceded, "Blind Freddy can see we need a capital injection".

Labor was re-elected to a fourth term in March 1990. On his first day as the new communications minister, Kim Beazley was confronted with the looming catastrophe of Aussat. Accumulated losses were forecast to increase by almost 60 per cent for 1989-90 and its debt-to-equity ratio was 46:1.

Aussat's underwriting banks feared the company was on the precipice of "default" and advised that it was "essential" the government and/or Telecom inject at least $100 million by June 30.

The cabinet agreed to an injection of $100 million, provided that it went to retiring debt. Three months later, investment bank CS First Boston forecast that, even if Aussat gained full access to all markets, it would still require another $400 million in capital to "become viable".

In September 1990, the cabinet agreed on a new framework for Australian telecommunications that had been developed and skilfully prosecuted by Beazley. It was based



Former Aussat boss Graham Gosewinckel (far left) in 1986. Under Sol Trujillo (left), Telstra offered to build a new broadband network. Right: Kevin Rudd and Stephen Conroy speak about the NBN in 2009. PHOTOS: DORIS THOMAS, QUENTIN JONES, GLEN McCURTAYNE

on a strengthened Telecom (merged with OTC and soon to become Telstra) and a privatised Aussat competing within a heavily regulated duopoly.

Government officials feared that without a duopoly in which Aussat, bundled together with a mobile licence and other inducements, formed the basis of a second carrier, the financially distressed company was "unlikely to attract any buyers".

The government reacquired Telecom's 25 per cent stake in Aussat for less than half of Telecom's valuation, but finance minister Ralph Willis and Beazley deemed this "fair and reasonable" given Aussat's "accumulated losses" and "dubious future prospects".

With remarkable irony given the catalytic role Aussat's financial plight had played in stampeding the government's second-wave reforms, the government also assumed direct responsibility for the company's $798 million debt.

Two further steps were taken to fatten Aussat for market. Beazley obtained the cabinet's reluctant assent to roll exclusive satellite-based pay-television rights into the deal. (He had reportedly been told by at least one potential Aussat bidder, Hong Kong's Hutchison, that it would participate only under these terms.)

The other step was to go slow on a third mobile licence because it was soon obvious that potential bidders were attracted to mobile, not Aussat.

In November 1991, it was announced that Optus Communications was the successful bidder for Australia's second carrier licence. Any windfall the government hoped to gain from the sale was cancelled out, however, by the mountain of Aussat debt it had assumed.

Optus paid $804 million, barely more than the quantum of Aussat's debts. The politically explosive potential of this simple calculation was anticipated in government circles and there was some surprise when it did not face detailed questions about it.

A decade later, cheaper, faster broadband services started becoming more available and market demand began expanding beyond business and boffins.

Led by a newly arrived American chief executive, Sol Trujillo, and with the Howard government looking to sell its final stake in the company, Telstra offered to build a new broadband network if granted a regulatory free hand, including relief from access rules and the obligation to separate its wholesale and retail divisions.

Such a model made commercial sense to Telstra but ran counter to the pro-competition direction of telecommunications policy since the 1980s.

Alarmed at the implications of Telstra's plans and fearing that its siren song would seduce the Coalition, an alliance of smaller competitors led by Optus developed an alternative proposal: an open-access national broadband network, owned by a consortium of industry players and other investors. To work, the plan needed regulated access to key elements of Telstra's network infrastructure.

Notwithstanding moments of temptation, especially as political pressure for a broadband solution intensified before the 2007 election, Telstra's ask was too great for the Coalition, as it would also have been for Labor. The company's bellicose approach towards the government ultimately worked against Telstra's objectives.

One outcome, however, was the fortuitous availability of competing broadband models for new Labor leader Kevin Rudd.

He announced that a Rudd government would spend up to $4.7 billion in partnership with private-sector investors to build a commercially viable, open-access national broadband network covering 98 per cent of Australia's population.

Caught short, the Coalition launched its own plan soon after, awarding $958 million to a joint venture between Optus and agribusiness company Elders to build a rural broadband network.

By this stage, relations between Telstra and senior Coalition figures were poisonous. Telstra openly barracked for a Labor win, confident that it was the only company able to bring about the mooted national broadband network. For most of 2008, after Labor's victory, the assumption prevailed that, one way or another, Telstra would build and operate the network.

But in a confrontational and misjudged game of brinkmanship, Telstra sought to wrest sweeping regulatory concessions from Labor. When that failed, it lodged a blatantly non-compliant response to the formal process seeking proposals from parties interested in building the network. This left the government with little choice but to exclude Telstra from the process, which collapsed shortly afterwards.

Telstra overreached, assuming Labor had little choice other than to commission it to take on the network. But the government doubled down and, in April 2009, Rudd announced the establishment of a new state-owned company, NBN Co, to build "the most ambitious, far-reaching and long-term nation building infrastructure project ever undertaken by an Australian government".

One might consider the Rudd government's 2009 NBN policy Whitlamesque in its audacity, but a closer parallel is the Fraser government's establishment of Aussat.

In both cases, there was faith among decision makers about the transformative potential of a new technological solution to deliver benefits across the nation and bridge Australia's city-country divide.

If NBN's privatisation ever kicks off, the most likely scenario is that Telstra will be first in line.

There was also an initial preference by the government for Telecom/Telstra to run the project. Its recalcitrance was followed by political decisions to create new state-owned enterprises to fulfil policy objectives.

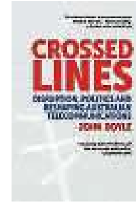
As had the prospect of a national satellite network in the late 1970s, the NBN's announcement during the still heady days of Kevin07 – and a forecast cost now more than $40 billion – excited the popular imagination and was integral to the Rudd government projecting as the party to take Australia to a technologically advanced, innovative future.

But over the last decade, as prime ministers, governments and NBN Co chief executives have come and gone, and as corporate plans, technology choices and operational priorities have significantly chopped and changed, the project has frequently been mired in controversy and recrimination.

Amid all the impassioned arguments on both sides by politicians, industry players, technology enthusiasts and the public, what is striking is that, boiled down, the issues in contention are precisely those that have reverberated for more than half a century: tensions between economic and social policy, city and country interests and business and households; debate over the sector's governance arrangements; and the effect of relentless disruption from technological developments.

NBN's $31.5 billion write-off last year is simply the latest issue to rekindle the flames of debate. Most interesting is what it means for the government-owned company's future saleability, notwithstanding the Albanese government's plan to retain NBN Co in public ownership for the foreseeable future.

If – or when – privatisation kicks off, the most likely scenario is that Telstra will be first in line. It makes no secret of wanting a seat at that table, and has been progressively splitting its vast portfolio of assets and operations into separate businesses. One of these, InfraCo Fixed, is plainly primed for a full or partial NBN sale.



The larger question is: what it will take to make NBN Co saleable, to Telstra or anyone else? Let's hope that, when the time comes, the government of the day can exceed the bar set by the Hawke government with Aussat a little more than 30 years ago. AFR

This is an edited extract from Crossed Lines: Disruption, Politics and Reshaping Australian Telecommunications. *John Doyle is an adjunct research fellow at La Trobe University. He held strategy and regulatory roles at Optus and was a board director of the telecommunication sector's primary industry body, Communications Alliance.*

Balloon incident reveals more than just spying

Comment

David E. Sanger

It may be months before US intelligence agencies can compare the audacious flight of a Chinese surveillance balloon across the country to other intrusions on America's national security systems, to determine how it ranks. After all, there is plenty of competition.

There was the theft of the designs of the F-35, enabling the Chinese air force to develop its lookalike stealth fighter, with Chinese characteristics. There was the case of China's premier hacking team lifting the security clearance files for 22 million Americans from the barely secured computers of the Office of Personnel Management. That, combined with stolen medical files from Anthem and travel records from Marriott hotels, has presumably helped the Chinese create a detailed blueprint of America's national security infrastructure.

But for pure gall, there was something different about the balloon. It became the subject of public fascination as it floated over nuclear silos of Montana, then was spotted near Kansas City and met its cinematic end when a Sidewinder missile took it down over shallow waters off the coast of South Carolina. Not surprisingly, now it is coveted by military and intelligence officials who desperately want to reverse-engineer whatever remains the Coast Guard and the Navy can recover.

Yet beyond the made-for-cable-news spectacle, the entire incident also speaks volumes about how little Washington and Beijing communicate, almost 22 years after the collision of an American spy plane and a Chinese fighter off the coast of Hainan Island led both sides to vow that they would improve their crisis management.

"We don't know what the intelligence yield was for the Chinese," says Evan Medeiros, a Georgetown professor who advised former president Barack Obama on China and Asia with the National Security Council. "But there is no doubt it was a gross violation of sovereignty," something the Chinese object to vociferously when the US flies over and sails through the islands China has built from sandbars in the South China Sea.

There is the question of whether the US failed to set a red line years ago about balloon surveillance, encouraging China to grow bolder.

"And this made visceral the China challenge." Medeiros says. "To look up when you are out walking your dog, and you see a Chinese spy balloon in the sky."

As it turns out, it was hardly the first time. Hours before the giant balloon met its deflated end, the Pentagon said there was another one in flight, over South America. And it noted a long history of Chinese balloons flying over the US (which the Pentagon, somehow, never wanted to talk about before, until this incident forced it to).

"Instances of this kind of balloon activity have been observed previously over the past several years," Pentagon spokesman Brigadier General Patrick Ryder said. One senior official said many of those were in the Pacific, some near Hawaii, where the Indo-Pacific Command is based, along with much of the naval capability and surveillance gear of the Pacific Fleet.

His admission raises the question of whether the US failed to set a red line years ago about balloon surveillance, essentially encouraging China to grow bolder.

"The fact that they have come into airspace before is not comforting," says Amy Zegart, a senior fellow at the Hoover Institution and author of *Spies, Lies and Algorithms*, a study of new technologies in surveillance. "We should have had a strategy earlier," she says, and "we should have signalled our limits much earlier."

The Chinese balloon floating over Billings, Montana. PHOTO: AP

There is nothing new about superpowers spying on one another, even from balloons.

US President Dwight Eisenhower authorised surveillance of the Soviet Union by lofting cameras on balloons in the mid-1950s, flying them "over Soviet bloc countries under the guise of meteorological research", according to an article published by the National Archives in 2009. It "yielded more protests from the Kremlin than it did useful intelligence," reported author David Haight, an archivist at the Eisenhower Library.

With the advent of the first spy satellites, balloons appeared to become obsolete. Now they are making a comeback, because while spy satellites can see almost everything, balloons equipped with high-tech sensors hover over a site far longer and can pick up radio, cellular and other transmissions that cannot be detected from space.

That is why the Montana sighting of the balloon was critical; in recent years, the US National Security Agency and US Strategic Command, which oversees the American nuclear arsenal, have been remaking communications with nuclear weapons sites. That would be one, but only one, of the natural targets for China's Ministry of State Security, which oversees many of its national security hacks.

The NSA also targets China, of course. From the revelations of Edward Snowden, the former contractor who revealed many of the agency's operations a decade ago, the world learned that the US broke into the networks of Huawei, the Chinese telecommunications firm, and also tracked the movements of Chinese leaders and soldiers responsible for moving China's nuclear weapons. That is only a small sliver of American surveillance in China.

Such activities add to China's argument that everyone does it. Because they are largely hidden – save for the occasional revelation of a big hack – they have rarely become wrapped in national politics. That is changing.

This was hardly a life-threatening crisis. But the fact Chinese officials, realising that the balloon had been spotted, did not call to work out a way to deal with it was revealing.

That kind of problem was supposed to be resolved after the 2001 collision of an EP-3 spy plane and a Chinese fighter that brought down both planes. For days after that incident, president George W. Bush could not get Chinese leaders on the phone. Efforts by the secretary of state at the time, Colin Powell, also failed. "It made you wonder what might happen in a deeper crisis," Powell said later.

Afterwards, hotlines were set up, and promises made about better communications. Clearly, those failed this week. When the balloon was shot down, China issued a statement saying "for the United States to insist on using armed forces is clearly an excessive reaction".

Few experts doubt that had the situation been reversed, China would have used force – it has threatened to do so when it believed outsiders were entering disputed waters, much less established Chinese territory.

"It makes you wonder who was talking to whom in China," Zegart says. "This is clearly the greatest unforced error the Chinese have made in some time." AFR

THE NEW YORK TIMES

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Edited by Kevin Chinnery: kchinnery@afr.com

Labor must keep the inflation task sharply in focus

THE AFR VIEW

Starting a new parliamentary year, Anthony Albanese says that Labor's prosecution of the case for enshrining an Indigenous Voice in the Constitution will not distract the government from tackling other priorities, especially the cost-of-living crisis. The real question there is whether Labor's economic agenda is up to the job of preventing above-target inflation from becoming entrenched, while supporting a soft landing that maintains the COVID-19 silver lining of a jobless rate of 4 per cent or less, and progresses the productivity agenda needed to generate the sustainable wage rises and higher living standards that Labor promised before the 2022 election.

With the Reserve Bank poised to raise its official cash rate today for the ninth consecutive board meeting, Jim Chalmers' declaration that the May budget will have little room for cost-of-living handouts is welcome, along with Anthony Albanese's decree that new spending proposals must be offset by savings elsewhere. As the treasurer says, anything that complicates the job of returning the latest 7.8 per cent inflation reading to the central bank's 2 per cent to 3 per cent target band would also make life harder for households with mortgages by keeping interest rates higher for longer. This would, in turn, increase the chances of a hard landing and a significant uptick in unemployment. Fiscal policy needs to be in concert, not in conflict, with the Reserve Bank's low-inflation monetary policy.

> *Fiscal policy needs to be in concert with the RBA's monetary policy.*

The upside of the energy crisis for Australia is booming prices for our iron ore, coal and gas exports. The short-term tax and royalty windfall will likely produce a sharp improvement in the budget deficit this financial year, even if officials downplay the chances of a temporary surplus. Yet prudent fiscal management must assume that the high tide of commodity export prices will normalise in the not-too-distant future. When that tide comes in, baked-in spending pressures will expose budget deficits well into the 2030s.

Labor needs to anchor both inflation and budget expectations by committing to fair dinkum fiscal repair. Hence, Dr Chalmers must use the May budget to restore some sort of credible medium-term budget framework, such as through rules to balance the budget over the economic cycle or reduce the public debt. The treasurer has flagged the budget's long-term structural challenges – due mainly to Labor's spending monuments in health, aged care, childcare, disability and education – and talked of conducting a "conversation" about how to pay for social services. But that sounds like code for further ratcheting up the size of government and paying for it with inflationary tax rises – which would break Mr Albanese's election promise of no new taxes.

Labor promised to get wages moving again. But it has no real plan to achieve wage rises that don't just add to inflation and get eaten up by it. Instead of restoring Paul Keating's enterprise bargaining system that generated productivity and real wages growth by allowing workers and employers to negotiate win-win agreements, Labor's retro industry-wide "pattern bargaining" re-regulation has sent Australia's workplace framework back to a more inflexible, one-size-fits-all past. And Workplace Relations Minister Tony Burke promises new laws this year that will target the gig economy and crack down on labour hire firms in the mining and construction sectors.

Meanwhile, the return of higher inflation has collided with the global energy crisis exacerbated by the Russia-Ukraine war and sent gas and electricity prices soaring. Labor's "reasonable" gas price cap intervention into the domestic energy market risks making the problem worse by increasing demand while choking off the investment in new supply that the Australian Competition and Consumer Commission says is urgently needed to avoid forecast shortfalls in the next several years.

The scale of the inflation challenge means that voters will be doing well if they manage to break even by the time of the next election. Hence, Labor's policy priority for 2023 should be to bring down inflation, including by ramping up immigration and tapping the global talent pool to alleviate skilled worker shortages – and to inject more enterprise and energy into the place.

From the Gallery — **David Rowe**

Government lets down business

Lack of delivery

When the treasurer talks about 'partnering with business' and 'making markets better', there is simply scepticism and nervousness among the business community.

Allegra Spender

I welcome Jim Chalmers' contribution to Australia's economic debate with his essay in *The Monthly*. There are areas in which I agree with him, and others in which I don't. But borrowing from John F. Kennedy, I challenge the treasurer to ask not just what business can do for the government, but what he can do for business – and then deliver on it.

Chalmers' essay talks about the government having a leadership role in defining priorities, challenges and missions. I agree with this and some of the priorities he identifies, such as climate action, increasing inclusion and opportunities for all, and measuring more than just money.

But the role of government is more than leadership, it is about delivery.

Although the treasurer focuses on market failures, businesses focus on the government failures of the past two decades and ask why this government isn't fully addressing those.

Few business people think that the government is on top of tax. The Henry review showed a burning need for genuine reform, but the Rudd, Gillard, Abbott, Turnbull and Morrison governments have failed to deliver. Before Chalmers remakes capitalism, business would like to see him deliver tax reform.

Tax reform is not merely fiddling with the stage three tax cuts but changing the tax mix to ensure its long-term sustainability, meeting the challenges of the *Intergenerational Report*, introducing a trusted resource tax framework, and ensuring our people share in Australia's economic success.

Even fewer business people think the government is on top of spending. In the past five years, government spending is up $166 billion a year. This is a contributor to our inflation outbreak and the Reserve Bank's drastic action on interest rates. In three years it'll be up another $85 billion – and that's before the government implements all of its commitments in aged care, defence, health, education, and social security. Budget deficits are forecast in every one of those years.

Government spending must actually make a difference, not just sound impressive. The Productivity Commission's recent review of education demonstrated how critical this is; billions more are being spent, with no real educational improvements to show for it. Any business unit with those sorts of results would have a zero-based budget review.

We need to institute a rigorous and publicly available analysis of government spending, a process where all department spending is evaluated to see whether the same money could be spent for better outcomes.

And finally, the business community feels the government is focused on what business can do for them, but not focused on what they can do to empower and unleash business.

The government is understandably focused on implementing its agenda, but it needs to listen to business as part of that process. Industrial relations reforms are a clear example.

Business went to the Jobs and Skills Summit in good faith, but last year's IR legislation did not reflect that good faith. The Council of Small Business Organisations Australia naively said it was open to opt-in multi-employer bargaining templates and the government said it had a mandate for mandatory multi-employer bargaining that was opposed by every business group, including COSBOA.

No wonder the business community has grown sceptical, suspecting it will be "consulted" but not actually listened to. And that scepticism is contributing to reactions to Chalmers' essay and nervousness about what "partnering with government" and "making markets better" might mean in practice.

The problem is, the government does not have a real agenda for enabling businesses to thrive. Small organisations aren't told until the last minute whether their government contract is being renewed.

Businesses around the country are struggling with the complexity of the awards, and face regulatory changes that happen all at once, without any sequencing.

As well as a lack of action, there is a lack of recognition of how much better government should be. A sectoral level review of value-destroying regulation, a sequencing of regulatory reform, a wholesale review of the awards and a commitment from government to be a good contract partner to business would show that the government is serious about being a partner of business.

Things have to change. Although business isn't perfect, the business community I know fully supports an agenda of making the country better, making our workplaces more inclusive, helping to share prosperity, making a positive contribution to our communities. This is demonstrated by the community's endorsement of paid domestic violence leave and the Respect at Work bill.

But if government won't be a true partner for business, that goodwill will dry up. Now is the time for government to focus on fixing itself and releasing the handbrake on business, so we can all thrive.

Allegra Spender is the independent federal member for Wentworth.

The great inflation debate shaping interest rate policy

Economy
Did the pandemic change everything about global inflation? Which of two eminent economists is right on this question will decide the future of monetary policy.

Richard Holden

As the Reserve Bank ponders further interest rate rises to tame inflation, there are larger forces at work that will determine rates over the next decade. And those forces are the subject of a debate between two of the world's most distinguished economists.

For three years, the Australian and world economies have been defined by the COVID-19 pandemic and the fight against inflation that has followed. With determined central banks raising interest rates and supply chains unclogging, this fight looks set to be won. Perhaps this year.

That raises the question of what our economy will look like afterwards. It's tempting to use phrases such as "return to normal". But what exactly was "normal" before the pandemic?

It is widely accepted among economists that in the decade before the pandemic, advanced economies such as Australia and the US were suffering from what American economist Alvin Hansen, in 1938, called "secular stagnation". Former US Treasury secretary and Harvard professor Larry Summers reinvigorated this phrase in 2013 to describe the state of advanced economies in the modern era.

Secular stagnation involves a protracted period of low economic growth accompanied by low inflation, despite extremely low (perhaps zero) nominal interest rates. That's a pretty good description of the 2010s in most advanced economies. After the financial crisis, central banks pushed down interest rates to historically low levels and kept them there. Yet economic growth was sclerotic, and inflation was stuck below 2 per cent amid fears around deflation. It was like a Japan-1990s redux.

Economists believe this was caused by a simultaneous decrease in the demand for investment capital and a rise in savings, caused by technological and demographic factors.

It once took a massive amount of financial capital to build big companies. Think of big steel companies, railroads and large-scale industrial manufacturing. In the internet age, some of the most valuable companies in the world could be created with a great idea and a $3000 laptop. And many important capital goods got a lot

Larry Summers says everything changed with the huge US pandemic stimulus.

> *If Summers is right, then we are likely to see the RBA keep interest rates about 4 per cent.*

cheaper. Thanks to Moore's law, an iPhone is more powerful than the world's faster supercomputer was two decades ago.

At the same time, as life expectancies – and hence the length of retirement – increased and populations aged, there was a large increase in savings. The rise of sovereign wealth funds and prevalence of billionaires compounded this "savings glut".

So, if these technological and demographic factors are still at work, then once inflation is tamed – and nothing else important has changed – we will go back to the low growth, low inflation, low interest rate world of the 2010s.

But are these technologies and demographic factors still present? And has nothing else meaningful changed?

This is the subject of a recent debate between Summers and another renowned economist, former IMF chief economist and MIT professor Olivier Blanchard. Summers gave a fascinating talk at the recent American Economic Association meetings, and Blanchard has a compelling new book out, partly summarised in a recent Peterson Institute post.

Summers essentially thinks that everything changed with the pandemic. Focusing on the US, he points out that between the Trump and Biden administrations, the stimulus was so big that there hasn't been a "demand shortage" economy ever since. He certainly thinks that all the structural forces he identified in his 2013 IMF speech are still there, but that big government debt levels and increased defence and social expenditures will raise real interest rates.

He also makes an intriguing point about the new need for increased investment spending. He argues that building redundant capacity for more just-in-case (rather than just-in-time) supply chains, plus investments in technology for the energy transition, will all boost demand for investment.

Blanchard disagrees. He looks at 10-year bond rates and points out that forward-looking real interest rates are still very low. He sees no reason that real interest rates (which are what matter for investment) won't stay low after the current inflation flight is over. Like Summers, he thinks that the structural forces that lead to secular stagnation have not changed post-COVID-19.

It would be more than a little presumptuous of someone like me to attempt to adjudicate this debate between giants. But here goes anyway.

I think Summers has the better argument when it comes to the US and perhaps Europe. Spending during the pandemic was truly massive, debt levels were already high, and the demographic forces of ageing populations remain powerful.

But Australia may end up looking more like Blanchard's story. Our pandemic spending was not as large (as a share of the economy) as in the US. Our debt levels were dramatically lower. And our population demographics are less pronounced than the US or Europe. One might say "*plus ça change*".

One caveat is that our building of redundant capacity could be very large. In particular, decarbonising Australia's economy – given our economic geography – might well require much more capital investment than in other countries. This could make Summers right about Australia as well.

Much hinges on which side of this debate turns out to be right. If we return to secular stagnation, then central banks will end up cutting interest rates to low levels, and governments will be called on to make large investments to make up for the lack of private demand. If Summers is right, then we are likely to see the RBA keep interest rates about 4 per cent, and the concern will be too much, not too little government spending.

As Summers concluded in his address to the American Economic Association in early January, "time will tell".

Richard Holden is professor of economics at UNSW Business School and president of the Academy of the Social Sciences in Australia.

There are ethical ways of living with the thrill of gambling

Gaming
The fun of betting on uncertain outcomes is not a problem. But addiction, organised crime and ubiquity make excessive indulgence a social ill that requires a policy fix.

Simon Longstaff

Debate about the regulation of gambling has intensified to the point where the sound and fury from all sides risks obscuring the central issues that must be addressed. With that in mind, I would like to offer a perspective on how the issue appears when viewed through the lens of ethics – rather than commerce or politics.

The essence of gambling is to take on risk in anticipation of a hoped-for (but uncertain) reward. In that sense, pedestrians "gamble" when they try to save time by dodging through traffic rather than walking to a designated crossing.

The same goes for those who make an "educated guess" when investing in equities. Like the punter who puts down a "prudent bet" – based on studying the form, visiting the track and so on – an active investor who takes into account "the fundamentals" is gambling.

However, not all forms of gambling are equal. Some are built around systems of probability that are consciously tuned so as to enable "the house" to win more frequently than their customers over time. So long as everyone knows this, there is nothing problematic about this form of gambling. It's perfectly acceptable to choose to spend money on entertainment.

So, if the practice of gambling is so innocuous, why all the fuss?

The answer is to be found in three forms of harm that, although external to the practice of gambling, have become intimately connected to it: addiction, organised crime and ubiquity.

First, the most serious harms caused by gambling are to individuals who become addicted to it. However, it is essential that we note that the "evil" is addiction – not gambling as such. Addiction to work or sex or chocolate is all deeply problematic for those who are afflicted. However, that does not make work, sex or chocolate intrinsically harmful.

Unfortunately, some parts of the gambling industry seek to exploit the addictive tendencies of some people. There are wicked individuals and organisations

> *Let's avoid 'wowserism' of a kind that presents gambling as the problem. It is not.*

who seek out means to "hook" people on their gaming product. They do this through conscious design of machines, experiences, incentives … almost anything. There is no "accident" in this. The trap is deliberately set and snares whoever it can catch.

At the lower level of complicity are those who do not deliberately aim to capture the addict but, rather, fail to take adequate steps to protect them from harm.

It is perfectly acceptable to design for fun, excitement, or enjoyment. However, people in the gambling industry have a particular obligation to use all effective means to minimise the risk of harm to those who are susceptible to addiction. Failing to do so leads to tragic outcomes – and there is no way people in the industry can wash their hands of blame for what might reasonably have been prevented, if only a sincere effort had been made to do so. Instead, some try to block reforms, simply to advance their commercial interests.

Second, as law enforcement agencies have highlighted again and again, organised crime has got its hooks into the gaming industry.

Criminals see their "regulated losses" as an acceptable cost to bear for the convenience of being able to launder vast amounts of cash through gambling.

Once again, the "evil" of organised crime is not intrinsic to the practice of gambling. Crime is pernicious wherever it rears its ugly head. It is simply an unfortunate fact of history that, for selfish reasons, criminals have developed a close association with the gaming industry.

However, there is nothing necessary about that connection – which can and should be severed.

Finally, there is the problem of "ubiquity". One of my earliest published articles on this topic noted that while there is nothing intrinsically wrong with, say, church choirs, it would be unspeakably destructive of the common good to place one on every street corner. You can have too much of even the best things (not sure that church choirs count).

Gambling is *everywhere*! This is especially so now that the "gambling bug" lives inside our phones and other communication devices.

What does all of this mean for the current debate? First, let's avoid "wowserism" of a kind that presents gambling as the problem. It is not. However, if we wish to enjoy the fun of ethical gaming, we must choose the means, as a society, to eliminate (or at least ameliorate) the evils of addiction, organised crime and ubiquity.

Despite claims to the contrary, the technology required for cashless gaming is already developed. It should be used, with default daily betting limits that apply across all forms of gaming – on the track, in casinos, in clubs, online … wherever.

And while we're at it, can we regulate gambling advertising so that it does not invade every aspect of our lives – especially the lives of children, who are at risk of being convinced that betting on sport is better than playing it?

Some people doubt it is possible to run profitable gaming enterprises without exploiting the deadly trio of addiction, organised crime and ubiquity. I do not agree. Difficult? Yes. Impossible? No. Given that gambling can be a source of innocent joy, I think the effort worth it.

Simon Longstaff is executive director of The Ethics Centre. The centre works with companies that either directly or incidentally have a connection with gambling and are committed to addressing the ethical dimension of this aspect of their business.

Chanticleer

For crowing there was not his equal in all the land...

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CEO woes behind $24b Newmont bid

It's telling that the $US40 billion ($57 billion) US gold mining giant Newmont should lob a $24.45 billion bid at Newcrest when the ASX miner is without a permanent chief executive.

For the past decade, Newcrest has had a decidedly mixed record when it comes to management and culture.

Former chief executive Greg Robinson left the miner in 2014 after $6 billion of write-downs related to the group's acquisition of Lihir Gold. This deal, done in 2010 at a cost of $8.5 billion, was the brainchild of then chief executive Ian Smith, who would later leave Orica following criticism of his management style.

Robinson's successor, Sandeep Biswas, did an impressive job from an operational and financial point of view, fixing the company's balance sheet, lifting its operational performance (including at Lihir) and setting up an impressive suite of growth options. But questions remained about his leadership style and the company's culture after he retired suddenly in December.

Newcrest's chief financial officer, Sherry Duhe, seemed a shoo-in for the top job when chairman Peter Tomsett appointed her on an interim basis in December, but while she is well respected after stints at Woodside and Shell, there are some investors who question her limited experience in gold mining.

By contrast Newmont, the world's biggest gold miner by market capitalisation, is known for what might be described as classic American mining industry leadership – stable, sophisticated, calm and long-term, arguably even to the point of being a bit too thoughtful.

Its current chief executive, Tom Palmer, is one of the global mining sector's more respected bosses – it's not for nothing he was mentioned in dispatches as a potential chief executive of Rio Tinto when Jean-Sebastien Jacques stepped down in 2020.

As one veteran gold sector observer noted yesterday, the most obvious way to illustrate the contrast between Newmont and Newcrest's recent history is through their share price performance over the past year, taken in US dollar terms (the currency of the gold sector).

Newmont shares are up 33 per cent over that period, while Newcrest shares are down 12 per cent, according to Bloomberg data.

That comparison also explains why Palmer believes he can swoop in and grab Newcrest with an all-scrip bid.

Newmont's first offer, made in late January at an exchange ratio of 0.363 Newmont shares for each Newcrest share, was swiftly rejected by Tomsett. But Palmer came back on Sunday with a second offer at 0.38 Newmont shares for each Newcrest share; this latest offer was flushed out by *The Australian Financial Review*'s Street Talk column on Sunday, forcing Newcrest to reveal Newmont's approach yesterday morning.

The Newcrest board is now mulling the offer. Although there is no indication of how long this process takes, investors are likely to learn more next week when the ASX group presents its first-half earnings.

Newcrest shares leapt 10.4 per cent to $24.78 yesterday morning, still well short of the $27.40 for every Newcrest share implied by Newmont's latest bid, a 22 per cent premium to Newcrest's closing price on Friday.

Whether that premium is enough to get the deal done remains to be seen. Last week, shareholders in Yamana Gold approved its $US4.6 billion takeover by Pan American Silver and Agnico Eagle Mines, which was struck on a 23 per cent premium.

Newmont's dividend yield of 3 per cent,

For the past decade, Newcrest has had a decidedly mixed record when it comes to management and culture.

compared to 2 per cent at Newcrest, may be a further attraction to investors.

There are other layers of history that explain why Newmont has come knocking at Newcrest's door.

The first and most obvious is that Newmont gave birth to Newcrest; the ASX-listed group was created in 1966 as Newmont's Australian subsidiary and subsequently changed its name to Newcrest in the 1990s, following mergers with Australmin and then BHP Gold.

The two companies have not had formal links for many years, but have both been participants in the wave of consolidation in the gold sector that has been rolling for the best part of 20 years. This is another important point of history.

A fresh round of deals has long been predicted; Yamana Gold's executive chairman, Peter Marrone, said last month that chatter across the industry pointed to a slew of potential tie-ups.

There are a few reasons for the consolidation calls. The first issue is that for all the deals, big and small, over the past decade or so, the sector remains very fragmented – bigger companies should be able to extract bigger economies of scale, or so the theory goes.

The second issue is that gold mining is getting harder and more expensive. Getting approvals for new mines is increasingly difficult, while the gold itself is harder to get at, requiring miners to spend more and deploy innovative technology to extract the precious metal.

Newcrest, which is seen as something of a technological leader in the sector, knows these challenges well. But it also offers Newmont a good combination of existing assets with reasonable growth profiles, plus a well-developed suite of prospective gold assets in Australia, Papua New Guinea and Canada.

As Macquarie analysts have noted, developing these mines is not without execution risk. Palmer is betting Newcrest shareholders will welcome the opportunity to throw their lot in with Newmont, which can use its size and scale to de-risk the ASX group's growth plans.

Owning tier one mines in friendly jurisdictions such as Australia and Canada (and even PNG, given the long experience of Australian miners there) will be important to Newmont in a world of geopolitical tension.

The cherry on top of this deal for Palmer may well be Newcrest's copper interests.

While Biswas left behind a mixed legacy, one of the most positive aspects of his time in charge was the work he did to spotlight Newcrest's growing exposure to copper, primarily through its Cadia mine in NSW, but also (in much smaller amounts) through its Red Chris mine in the Canadian province of British Columbia and its Telfer mine in Western Australia.

Biswas' belief was that a strong gold company had a solid copper business too (the two metals are often found together) and last financial year, copper accounted for 25 per cent of Newcrest revenue, up from 22 per cent a year earlier.

Palmer has expressed similar sentiments, declaring last year that he was on the hunt for copper mega-projects.

"I'm pretty excited about having good exposure to copper at that time when the world is going through the energy transition," Palmer told Bloomberg TV last year. "Copper's got a pretty good story in front of it. I think its day in the sun is more towards the end of this decade."

Newcrest certainly wouldn't deliver Newmont a copper mega-project, but it would deliver another 25 million tonnes of copper resources and expertise in this metal.

One consideration that both sides of this deal are likely to be weighing is the outlook for the gold prices, which has leapt almost 15 per cent since last November on the prospects of a boom in China as COVID-19 lockdowns ease and inflation starts to retreat. The spot gold price hit a nine-month high of $US1927 an ounce in late January.

Signs that inflation is continuing to fall, and central banks are close to ending their run of interset rate rises should be good for the gold price.

Last December, ANZ commodity analysts Daniel Hynes and Soni Kumari were upbeat on the outlook for the precious metal.

"Gold prices tend to come under pressure ahead of recessions, but then outperform other markets (such as equities) during them ... as global growth slows through the second quarter amid elevated geopolitical risks, we expect safe haven buying to lift the gold price."

Palmer might have been keen to bid for Newcrest before inflation really rolls over, and gold prices rise further; Tomsett may be keen to ensure this rosy outlook is encapsulated in any further bids.

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Rear Window

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Turnaround legend John Pollaers loses an alibi

We return now to the renowned CV gymnastics of Swinburne University chancellor and now AGL Energy director, **John Pollaers**.

Readers may recall that in the feverish lead-up to AGL's annual meeting in November, where 11 per cent shareholder **Mike Cannon-Brookes** successfully installed four hand-picked directors (Pollaers included) on the company's board, questions were repeatedly raised about Pollaers' public statements regarding his corporate turnaround experience.

According to *The Australian*, "Professor Pollaers said he had carried out 16 major company transformations during his career". This would be impossible because Professor Pollaers only ever worked for three major companies.

Pollaers bears the title of "professor" and he teaches at the University of Melbourne, yet he doesn't have a PhD and has not written any peer-reviewed academic research. In our day, such a person was called a lecturer.

Precisely measuring the magnitude of Pollaers' exaggeration was assisted by his biography, carried since October 2014 by *The Conversation*, that claimed "John's career has been marked by repeated turnaround performances in which he has successfully led nine business transformations, Pacific Brands' being the most recent".

This would suggest that in the eight or so years between being pushed out as CEO of Pacific Brands (after less than two years in the job) and running for the AGL board, Pollaers was claiming to have led another seven major company transformations. This was a valiant narrative given that during this period, Pollaers worked as a university lecturer and sat on a bunch of government taskforces and panels but didn't work for a single major company.

Amazingly, none of this grandiose embellishment seemed to bother Double Bay Jesus or his apostles at Grok Ventures. It bothered the 38 per cent of AGL shareholders who voted against Pollaers' election to the board, but, incredibly, they were outnumbered.

Pollaers was even asked by a shareholder from the floor of the AGL AGM to list each of the 16 company transformations he has led, and he refused!

Pollaers has talked his way on to the board of a public company by blatantly misrepresenting his skills and experience, but, much worse, he has done so while serving as the chancellor of an Australian university. What kind of message does his conduct send to undergraduate students? Why would they listen to teachers warning them off submitting assignments generated by ChatGPT, when the university's most senior officer shows them that actually, in

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NEWCREST BID

INVESTORS DISAPPOINTED

HOW CEO WOES LED TO NEWMONT'S $24b BID

STOCKS TO WATCH THIS PROFIT SEASON