

# Rear Window

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## Broker's advice a pile of, er, phosphate

**N**ow isn't exactly the best time to be out of a job as a stockbroker, so you have to wonder why State One equities adviser **Brett Walker** has stuck his neck out.

In a fiery missive to clients about phosphate group Minemakers, Walker told clients to take the money and run. "The [Minemakers] operation was always going to be high cost and with little chance of raising the \$1 billion of capital expenditure required anytime

soon, this project is going nowhere fast," Walker reckons. Now Rear Window would never begrudge anyone having an opinion and the broker seems to think that for the project to achieve the scale needed to survive in the long-term it will take some serious investment. The only problem for Walker is the estimated cost of the first stage of Minemakers' Wonarah project in the Northern Territory is more like \$100 million – broker BBY has

estimated \$110 million – with the pre-feasibility figure out next month.

When the company's managing director **Andrew Drummond** asked for a clarification, he didn't get it. So Drummond jumped straight on Boardroom Radio to get a message out to his shareholders. He said he was disgusted that a broker could put out that number. "They didn't approach Minemakers, nor apparently did they read any of our output or anything by other brokers or competitors,"

Drummond said. "In a very tough market I think it's grossly unfair... that such information can be peddled... It cost our shareholders about 10 per cent yesterday and I'm not happy."

You don't say. One wonders whether short sellers will pounce given Walker's position and the lifting of the ban on short selling of non-financial stocks that starts today. Rear Window hears that a letter from the lawyers is on its way to the folk at State One.

## Bonus cuts spark a lighter moment

There was not a lot to laugh about at yesterday's eagerly anticipated Macquarie Group briefing. Boss **Nicholas Moore**, his deputy **Richard Sheppard** and chief bean counter **Greg Ward** were all business as they went about explaining that the market had nothing to worry about then it came to the fabled Macquarie model.

Indeed, it was JPMorgan's redoubtable analyst **Brian Johnson** who got the biggest laugh of the day at the analysts' briefing. No, he wasn't talking about one of his bullish three-figure price targets for the stock. It was when he referred to cuts in the staff bonuses as "harsh".

No doubt the assembled analysts – who have no doubt copped pay cuts – enjoyed the fact that at least one brave soul was worried about the pay and conditions of Macquarie employees.

Moore was also yesterday found to have breached the broadcasting control rules by the Australian Communication and Media Authority between February 5 and February 19 this year. A spokesman said the regulator had not approved his appointment as a director of Macquarie. That related to television channels in Tasmania and Darwin, although he did have approval in relation to other Macquarie companies.

To be fair to Moore, Macquarie's lawyers notified ACMA of the breach. He resigned as a director of Macquarie Group on February 19, was granted approval by the ACMA, and was then reappointed on February 22.

Macquarie is still in breach over the licences and has been given until January 19 to rectify the situation.

Fancy Nathan Rees for breakfast?

Why have we run out of cod-liver oil?



## A little more Reespect, please

NSW Premier **Nathan Rees** had a tough gig yesterday pitching the widely criticised mini-budget to a room full of property bigwigs.

Speaking at the Property Council of Australia's breakfast conference in Sydney yesterday, the Premier was welcomed with a hushed silence when he strolled into the room with his minders. However, there was nothing particularly imposing about Rees.

Your diarist's guess is that the attendees were expecting someone else – a guy named Nathan Reese, as it said on the menus placed at each table.

Lucky for Rees(e), it was too early in the day for those in the room to have gathered their thoughts to hurl any scathing questions about the 25 per cent rise in investment land tax or the huge increase in carpark levies.

The only person sharp enough at that hour of the morning to fire a question at the Premier was Property Council of Australia NSW executive director **Ken Morrison**.

Joining Morrison at the head table was semi-retired Leighton Holdings non-executive director **John Elvy**, Stockland residential chief executive **Denis Hickey**, St Hilliers executive chairman

**Tim Casey**, Lend Lease Development chief operating officer **David Rolls** and **Milton Cockburn** from the Shopping Centre Council of Australia.

The Premier didn't have time to mingle with the crowd after his speech, not that anyone seemed particularly bothered.

Rees scooted off to cabinet straight afterwards to tackle the state's big issues.

One attendee joked that top of the meeting agenda must have been who to sack next.

Maybe that Reese fellow needs to be given the boot, whoever he is.

## Labor in power, it's Howard's hour

**John Howard** has finally had an opportunity to win over Labor. After last year's thumping election loss to **Kevin Rudd**, the former PM can take consolation that the ABC's *The Howard Years* program out-rated its Labor equivalent. The *Howard Years* drew a national audience of almost 1.7 million viewers when the first episode aired on Monday night.

That included a five-city metropolitan audience of 1.18 million. The ABC's *Labor in Power*, shown in 1993, managed 1,026,000 in capital cities for its first episode. Managing director of Fusion Strategy, **Steve Allen**, says *The Howard Years* clawed audience from the commercial channels. "The previous week, *Four Corners* had a good program, as it was one with Chris Masters," he says. "That was followed by a strong *Enough Rope*."

But they were up against a 1.1 million promoted, extended *Backyard Nine Network*. Allen says *The Howard Years* reclaimed about 500,000 viewers for the ABC.

"It was the No 1 program on night for the ABC in both metropolitan and regional markets. Overall 65 per cent higher than the ABC had the week before."

## All too much for

Comparisons between the current Depression and the current or tragic turn this week with new Brazilian trader reportedly shot on the trading floor of the local

Stories have abounded in years that some US traders out of their Wall Street office the so-called Black Days of the stockmarket fell precipitous

Those and similar stories Street's other declines have been dismissed as apocryphal

But the incident in Brazil too real. **Paulo Sergio Silva** to have shot himself in the

during the afternoon session Sao Paulo commodities exchange. Silva worked for division of Brazilian bank

According to media report taken to hospital where he was later described as critical

SO FINDING OURSELVES SLIDENLY

SO, MR H, THANKS TO US