

THE WEEKEND AUSTRALIAN

BUSINESS REVIEW



MANSION

At home in Dural with Mez Graham {P32-33}
PLUS Jonathan Chancellor's Trophy Homes



ALAN KOHLER

APRA heatmap fails to shed light on shady super deals {P26}

Pound takes flight after Tories win Brexit mandate

DAVID ROGERS
MARKETS EDITOR

Investors were betting on a smoother path to Brexit and a potential rebound in the UK economy as the Conservatives headed for a landslide election victory, sending the British pound soaring.

With exit polls showing an insurmountable lead for the Tories, investors piled into the pound, sending it 2.7 per cent higher to a 19-month high of \$US1.3514 in the space of 45 minutes.

The Australian dollar, already rising after US President Donald Trump said he was "very close" to

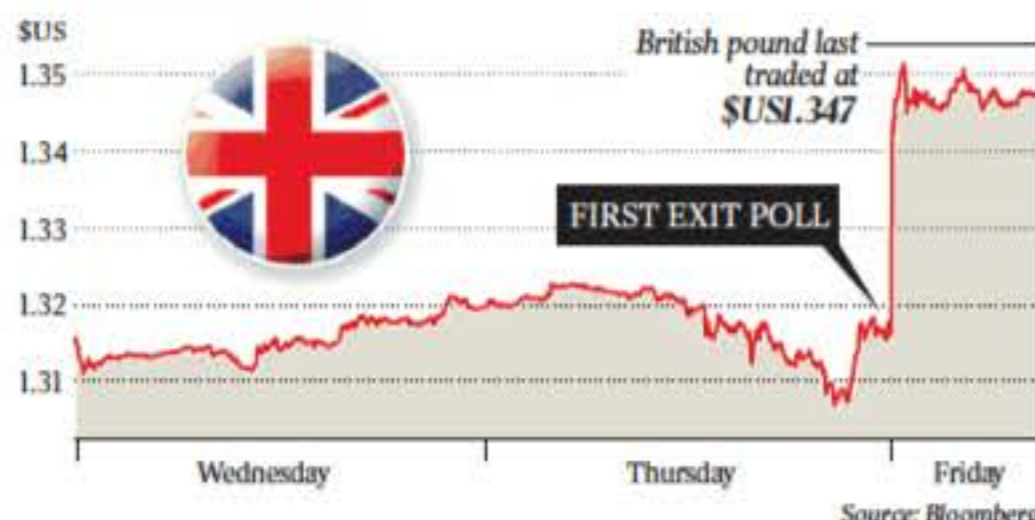
signing a trade deal with China, jumped to a four-month high of US\$69.39c as the US dollar was sold off.

But the Aussie couldn't keep up with the pound, at one stage falling 2.4 per cent to 51.24 pence, the lowest since the Brexit vote caused the pound to plunge in 2016.

Similarly, the euro dived 2.1 per cent to 82.77 pence, the lowest since just after the referendum.

Shares in London opened higher last night with the benchmark FTSE 100 jumping 1.6 per cent. But the broader FTSE 250 index — made up of domestic-focused industries — jumped as much as 5.4 per cent, hitting a record high.

The Boris bounce



Banks, utilities, home builders and retailers led gains for stocks, with Royal Bank of Scotland and

Lloyds surging as much as 10 per cent. The Royal Mail and telecoms

INSIDE

Friday the 13th it might have been, but a collective sigh of relief from the financial community could be heard around the world.

TICKY FULLERTON P37



operator BT Group, which faced nationalisation under Labour, surged as much as 8 per cent.

Equity strategists at Citi said the UK election result was "probably as good as it gets".

While a convincing win for the Tories was expected, there were some late jitters about a potential hung parliament as opinion polls suggested their lead had narrowed.

Results late Friday showed the Conservatives secured at least 364 of 650 seats in the House of Commons, 38 more than needed for a majority. Labour had just 203 seats, 59 less than it previously held, prompting Labour leader Jeremy Corbyn to resign.

The BBC was predicting a 74 seat majority for the Conserva-

tives giving Prime Minister Boris Johnson a strong mandate to leave the EU with his withdrawal agreement by the end of January. Labor was set for its worst defeat since 1935.

Mr Johnson declared, in an informal victory speech to Tory supporters, that "no one can now refute" that he had a "stonking mandate" to deliver Brexit.

Royal Bank of Canada currency strategist Adam Cole saw "risks to the upside" for sterling.

"Had the Conservatives won with a small majority, the leadership would have likely been held to its commitment not to extend

Continued on Page 37

COMMODITIES REBOUND ON TRUMP TWEET

Dollar surges as US-China trade deal takes shape

DAVID ROGERS
CAMERON STEWART

Commodities and the Australian dollar surged on Friday while safe-haven government bonds, the US dollar and Japanese yen lost ground as the US and China appeared close to signing a long awaited trade deal and Conservatives surged to a landslide win in the British election.

Donald Trump said the US was "very close to a big deal with China" and the Wall Street Journal said the US President had agreed to halt a 15 per cent tariff on \$US156bn (\$225bn) of Chinese goods and roll back half of existing US tariffs on \$350bn of Chinese goods in return for commitments to buy \$50bn of mainly US farm goods and energy, improve intellectual property protection, open China's financial services market and curb currency manipulation.

"This is more bullish than expectations of just a roll-back in September tariffs," said Citi chief economist Asia-Pacific, Johanna Chua. "Certainly should be good news for risk assets."

At the same time, fear of a close UK election race and "hard" Brexit abated as Boris Johnson's Conservatives headed for their biggest majority since Margaret Thatcher's win in 1987, while the British Labour Party was poised for its worst election defeat since 1935.

"The landslide win for the UK Conservative Party is grabbing a large share of attention, but far more important for the world economy and markets are media reports that the US and China

Trade optimism



Global markets yesterday

| | |
|-----------------------|-------|
| S&P/ASX 200 (Aust) | 0.46% |
| Nikkei (Japan) | 2.55% |
| Hang Seng (HK) | 2.57% |
| Shanghai Comp (China) | 1.78% |
| FTSE^ (UK) | 1.7% |
| S&P 500* (US) | 0.86% |

*Thursday ^Opening Source: Bloomberg

have agreed on a phase one trade deal," said Rob Sabaraman, head of global macro research at Nomura.

The pound jumped 2.7 per cent to a 19-month high of \$US1.3514 and Aussie dollar hit a four-month high of US\$69.39c, while diving 2.4 per cent to 0.5124 to the pound — its lowest since the Brexit vote.

With the S&P 500 rising 0.9 per cent to a record close of 3168.6 points, Australia's S&P/ASX 200 climbed 0.5 per cent to 6739.7.

But those moves were outshone by Asian markets, which

have lagged the US this year. Japan's Nikkei 225 rose 2.7 per cent, the Hang Seng index rose 2.2 per cent, China's Shanghai Composite gained 1.5 per cent and South Korea's KOSPI gained 1.3 per cent.

Industrial commodities firmed on improving global growth prospects, with London Metal Exchange copper hitting a seven-month high of \$US2.81 a pound, while safe-haven gold hit a two-day low.

Mr Trump met on Friday with his senior trade advisers including Trade Representative Robert Lighthizer, trade adviser Peter Navarro, White House economic adviser Larry Kudlow, Treasury Secretary Steven Mnuchin and Vice President Mike Pence.

Mr Trump had earlier tweeted: "Getting VERY close to a BIG DEAL with China. They want it and so do we."

Government bond yields spiked as investors switched to risk assets, with the 10-year Australian commonwealth government yield up 13 basis points to 1.26 per cent.

It came after a nervous start to the month, when the US slapped tariffs on Brazilian and Argentinian steel and aluminium exports for "currency manipulation", proposed tariffs on French wine, cheese and handbags, and considered tariffs on other nations in retaliation for their so-called digital taxes on US tech companies. It also threatened NATO partners with trade tariffs if they didn't pay their share for the alliance, while

Continued on Page 37

DELAY SURPLUS: IMF P28

'I pick myself up ... and go again'



AARON FRANCIS

Latitude Financial Services CEO Ahmed Fahour at the Melbourne headquarters: 'I am a pretty resilient person'

EXCLUSIVE

The controversial CEO speaks out on success and failure

DAMON KITNEY

The boardroom within the Melbourne headquarters of Latitude Financial Services on the western edge of the city boasts views over Docklands Park and the Harbour Esplanade, looking back towards the old glass towers of the CBD.

But today the blinds are half drawn and when the firm's chief executive Ahmed Fahour enters the room 15 minutes late, he poses briefly for a photograph, absent his trademark cheesy smile.

He then purposefully takes his

seat at one end of the long board table, his back to the view.

Among the towers behind him looms National Bank House at 500 Bourke Street, where Fahour spent four and a half years as CEO of the Australian operations of National Australia Bank.

In late 2008 he was passed over for the top job at the bank and the chance to run an Australian sharemarket-listed financial services company for the first time when then chairman Michael Chaney chose Cameron Clyne for the role.

More than a decade on, in October this year, Fahour missed out again on running a big listed group, but this time it was a lack of support from offshore institutional investors that condemned the \$3.2bn float of

Latitude, the consumer finance group previously known as GE Money.

It is now 60 days since Latitude's owners, Deutsche Bank and private equity giants KKR and Varde Partners, abandoned the biggest IPO of the year.

Today Fahour, impeccably dressed in his trademark pinstripe suit furnished with his Order of Australia lapel pin, admits he was bruised by the experience.

"At the time, I was really disappointed. Disappointed that we set an objective and we didn't make it, for the moment. But I am a pretty resilient person," he tells *The Weekend Australian* in his first interview since the failed listing.

But he has needed to be. The collapse of the Latitude float gave

his many long-time critics a fresh platform to cast stones. The headlines screamed "The \$51m man" when his remuneration and shares package was revealed in the prospectus for the Latitude listing.

The drip-feed of media releases and stage-managed stunts — such as appearing at a Harvey Norman store alongside the chain's founder to publicise a Latitude product — only perpetuated the feeling among some in the investment community that Fahour was trying to, in the words of one float critic, "put lipstick on a pig".

Last week the 16-year-old fintech Tyro Payments successfully floated on the ASX, usurping Latitude as the largest float of the

Continued on Page 30

MARGIN CALL



JOHN STENSHOLT

O'Neill on bench, not in the chair

It would have been one of the more intriguing comebacks in sport, but Margin Call is hearing that despite some serious courting, John O'Neill is not going to pursue the Australian Rugby Union chairman role.

The end to a disappointing 2019 can't come soon enough for rugby types, keen to put the Israel Folau saga and a disappointing Wallabies World Cup performance behind them.

But the start of 2020 looks to be just as tumultuous, what with the jockeying for the ARU chair, which will be vacated by the embattled Cameron Clyne by the time the sport's annual meeting is held in March.

This newspaper on Monday revealed that O'Neill was being approached to be chair, which would mark his third stint in a leadership role at the ARU after a star turn as chief executive ended in 2004, and a less happy time in the same role between 2007 and 2012.

INSIDE MARGIN CALL
David Paradice's brush with royalty

But after a frisson of excitement about the idea, O'Neill is understood to have decided his roles as chair of the ASX-listed Star Entertainment Group and Queensland Airports are probably a better use of his time than trying to navigate rugby's usually treacherous political waters. He is also likely to end up with a role working on Queensland's 2032 Olympic bid.

So who should replace Clyne then? Andrew Forrest is one name bandied around, though it is unlikely the billionaire would spend too much time on rugby pursuits. Another name mooted is the chairman of the NSW Waratahs, Roger Davis.

That could make things uncomfortable for ARU chief executive Raelene Castle, given Davis has said publicly Castle needs to deliver a significant uplift in broadcasting dollars when a deal is struck with someone (anyone?) by mid-2020.

But Castle is said to be on thin ice anyway, with ARU deputy chairman Brett Robinson one potential replacement should she move on. Never a dull moment off the field for rugby.

Then again, there's plenty of fun happening off the track at the Victoria Racing Club, too.

The home of the Melbourne
Continued on Page 26

MANSION

AUSTRALIA

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TOP FIVE

HIGHEST PRICED SALES



\$6,500,000

NSW

3 Woonona Road, Northbridge, Sydney
Five-bedroom home with harbour views
AGENT: Chris Downie and Josh Forrest,
Richardson & Wrench, Northbridge

\$4,520,000

VIC

29 Ryeburn Avenue,
Hawthorn East, Melbourne
Four-bedroom home on 1144sq m
AGENT: Chloe Quinn and Campbell Ward,
Jellis Craig Boroondara, Hawthorn

\$2,785,000

QLD

38 Braeside Terrace, Alderley, Brisbane
Five-bedroom home on 1071sq m
AGENT: Alex Jordan, McGrath Estate Agents,
Paddington

\$2,500,000

WA

11 Clarecastle Retreat, Mindarie, Perth
Waterfront four-bedroom home on
1012 square metres
AGENT: Tracy Laurence,
Laurence Realty North, Mindarie

\$2,280,000

SA

10 Liapis Court, Rostrevor, Adelaide
Five-bedroom home on 996sq m
AGENT: Tom Hector and Phil Harris,
Harris Real Estate, Kent Town

Only the best for IT wiz

AT HOME

Mez Graham says her home projects are never-ending

LISA ALLEN

IT entrepreneur Mez Graham could live anywhere but like retailer Gerry Harvey she plumped for the outer Sydney suburb of Dural 10 years ago.

Originally from Cootamundra, Mez Graham is the founder of mobile app Fix It Faster, which helps people looking for home services connect with mobile knife sharpeners, pet minders and in-home chefs. Fix It Faster's more than 3000 users can even access mechanics who will organise a pink slip from home.

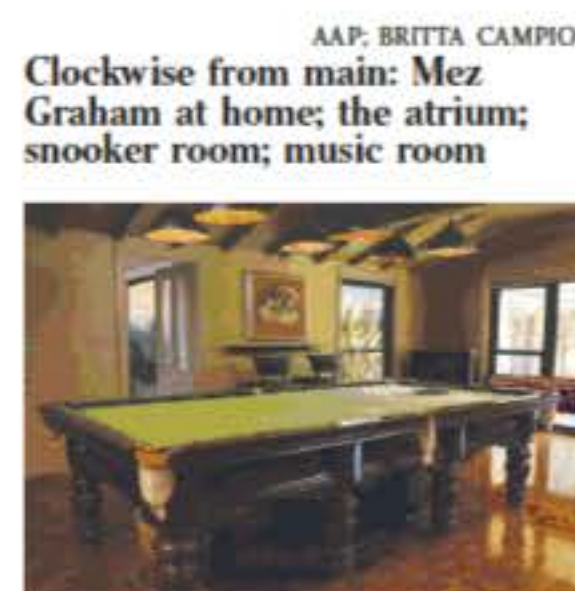
An empty nester, Ms Graham lives on a 2.2ha estate with her husband Martin Graham, an American bulldog called Byron, a boxer, Bailey, chooks and a bush turkey.

"We offer absolutely anything you can think of ... at the moment we have 1500 tradespeople in the eastern suburbs and the Hills district and we are rolling it out to Sydney's inner west and northern suburbs," she said.

"Every week it's growing, there are more than 3000 users at the moment and we have only been doing a soft launch promotion. We expect to be intensely rolling it out across Sydney from February and then nationally from August."

Although Ms Graham's office, where she has a team of 12 full-time staff, is in Edgecliff she prefers to work from home given the high cost of road tolls. "I like living in the Hills, I love the space," she says.

At home in Dural, the house features a formal dining room, second master bedroom, music room with grand piano, two open fireplaces, a snooker wing and a master wing. The



AAP: BRITTA CAMPION
Clockwise from main: Mez Graham at home; the atrium; snooker room; music room

1980s brick bungalow was once owned by the Twinings tea family and has been renovated a couple of times.

"Everything in the house is very high quality ... we have changed flooring, installed new bathrooms, and new carpet throughout. We have added extra entertaining areas and put in more fencing.

"It's a bit like the Harbour Bridge you just finish maintaining it ... and you start again," says Ms Graham, adding

that she has gardeners, cleaners and a handyman to help out.

"I really adore my bedroom and bathrooms. The rooms are massive, I am the eldest of eight children, all my brothers and sisters come up to Dural, it's like a resort, all the rooms have bathrooms and it's very spacious living."

"I have decorated it in an old-school Hamptons style ... I could not do modern minimalist decorating, it has to be

classic, generous furnishings. "I could not put anything cheap into the house. Everything has to be top notch because otherwise it sticks out."

Ms Graham has installed three ovens and three fridges given she loves to cook.

"That is my thing and I love to entertain. I generally have my children over every other night and they generally come over every Sunday for a roast dinner."

PRESTIGE PROPERTY ON SALE ACROSS AUSTRALIA



QUEENSLAND

Brisbane. 35 Molonga Terrace, Graceville.
Campbell House, perched high on the river's edge, won the Robyn Boyd National Architecture Award on completion in 1989 and has had a modern renovation by architect Shaun Lockyer. Chris and Letitia Vitale bought the 3339sq m property in 2014. Their five-bedroom home is set over four levels. There is a cantilevered poolside deck and an indoor sauna.

Agent: Cameron Crouch, Ray White, Sherwood.



VICTORIA

12 Indigo Lane, Daylesford. \$1.115m.
This striking modernist home is surrounded by beautiful bushland, with views towards Mount Franklin. With a steep roofline that looks like a hand of cards, Helix House sits on 1.9ha. Designed by a local architect and built from Mount Gambier stone, the split-level residence has three bedrooms. The house has decks on three sides and there is a studio in a tower. It is being sold by Di Bretherton.

Agent: Nathan Skewes, hockingstuart, Daylesford.

For Prestige Property inquiries contact Emily Pettafor: emilymay.prestige@gmail.com



QUEENSLAND

Gold Coast. 56 Harbour Rise, Hope Island. \$1.22m.
This chic waterfront home offers boating enthusiasts bridge-free access to the Broadwater and the ocean. Set on 415sq m, the four-bedroom residence was built for entertaining, with its open-plan living space leading out to alfresco terraces on both levels. A lap swimming pool overlooks the water and the golf courses; parks and shops of Hope Island are nearby. It is being sold by Lucy Norman.

Agent: Susan King, The Agency Gold Coast, Surfers Paradise.



TASMANIA

78 Olearia Drive, Howden. \$945,000-\$965,000.
This equestrian estate backs on to the Peter Murrell State Reserve and is a short drive to Howden and Blackmans Bay. The main homestead has three bedrooms and wraparound veranda. Further back on the 1.59ha property is a cottage with channel views. The property, which has not changed hands since it was built, is being sold by Ian, Cheryl and Danielle Wright. There are five paddocks.

Agent: Todd Stevenson, Knight Frank, Hobart.