

business

Upbeat on Flinders Street development



BRIGHT FUTURE: Trident Corporation's Bernie McKeering and Andrew Brown are pleased with the development taking place at Flinders Street.

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FLINDERS Street property manager Bernie McKeering is "over the moon" with the development of the precinct and the development to come.

Mr McKeering heads Brisbane property investment and advisory group Trident Corporation, which bought the former Commonwealth Bank building in what was then Flinders Mall in 2007.

"We purchased the building when Flinders Street was a stale, unattractive pedestrian mall with high office and retail vacancy and a lot of vagrant activity," Mr McKeering said.

"This precinct is now the premier corporate and retail location in Townsville."

He said people owed "a great deal of thanks" to the Lancini Group for some of the investments made in the city.

The Lancini Group recently opened the City Lane and City Arcade retail and restaurant precincts, while the demolition of the former Cat and Fiddle Arcade and Coles Fossey

buildings has started for a new Woolworths supermarket due to be completed in 2016.

Two big office towers have been developed, one of which will soon host a retail, business and agribusiness centre for National Australia Bank.

The former Dimmays Arcade building, closed for five years, is being reopened soon to accept new tenants including fashion outlets.

Mr McKeering said there had been a spike in leasing activity for Central Plaza driven not by the economy but the location of the building.

"Over the last few years the

Townsville office market has been extremely tough and while market conditions are still challenging, it really helps us with our building leasing if the amenity and streetscape around Central Plaza is superior to other locations around Townsville," he said.

"These days, providing staff with excellent amenity is so critical to the success of an organisation, particularly when it comes to staff retention."

Mr McKeering said people should support the CBD by visiting the cafes, bars, restaurants and shops.

"If people embrace it and

support it, the snowball continues to grow," he said.

But Townsville economist Colin Dwyer suggested the \$55 million pumped into redeveloping Flinders Street in 2011 could have been better spent.

"I'm not exactly saying that we wasted the money, I'm saying there's sufficient evidence to suggest we could have spent the money better," he said.

"If we had a list projects that was ranked by cost-benefit analysis so we know what the benefit is, we would have a better opportunity to utilise those funds when they become available."



David Gonski.

CCA chair told it's time to bow out

ONE of Australia's most experienced company directors should call it a day as chairman of the nation's biggest soft drink company, a leading shareholder group says.

Coca-Cola Amatil chairman David Gonski, who has been in the role 14 years, is standing for another term, but questions have been raised about his independence after so many years at the top.

Australian Shareholders' Association chairman Ian Curry said Mr Gonski, who is highly regarded by investors, will have served too long if stays in the role for another three years.

"We think a director who has been on a board more than 12 years ceases to be independent," Mr Curry told *Business Daily*.

"You're really sitting in judgment on your own decisions."

Coca-Cola Amatil's former managing director, Terry Davis, retired last year after 14 years in the post and many expected Mr Gonski to go then.

New manager director Alison Watkins has led a shake-up of the company after its earnings fell in recent years.

Mr Curry said Mr Gonski should be careful of over-committing as he also served as chairman of major bank ANZ.

"When things are going well — like most things in life — you can sail along without trouble," he said.

"But when things are going wrong you have to ask do you have time to focus on all the matters?"

"And at the moment CCA does have some problems."

The beverage maker's annual report, published yesterday, reveals the former head of the group's canned food business received a fee of almost \$900,000 when he stood down at the end of last month.

Peter Kelly, who was managing director of SPC Ardmona, helped secure a \$22 million grant from the previous state government.

The funds went towards a \$100 million upgrade of an SPC fruit packing plant near Shepparton — a deal that helped secure the livelihoods of Australian fruit growers.

Ms Watkins was paid almost \$2.5 million in her first 10 months at the helm.

Life cover cost may rise

HOME loan broker Mortgage Choice says life insurance could become more expensive if the recommendations of the Trowbridge report are enacted.

The report, by former banking regulator John Trowbridge, recommends adviser commissions be capped in order to stamp out unethical practices.

The move is designed to discourage advisers to get clients to change policies so they can receive more commission.

Mortgage Choice financial planning general manager Tania Milnes said a cap would force advisers to charge a fee for advice in order to remain commer-

cially viable, but there would be no corresponding reduction in premiums.

"If Trowbridge's remuneration recommendation is ratified, it may stop certain Australians, particularly the wealth accumulators, accessing quality financial advice," Ms Milnes said.

She said she worried the changes might drive some financial advisers out.

"As a result, fewer Australians would be able to access affordable insurance-related financial advice."

The report was commissioned by the Financial Services Council and the Association of Financial Advisers.

Jeweller in uphill battle

JEWELLERY chain Michael Hill International says a drop in sales throughout Australia in the first nine months will put pressure on its full-year result.

The Australian market continued to be difficult for the group, with like-for-like sales — which strip out the impact of shops that have opened or closed — down 2.1 per cent to \$220.8 million in the nine months to march.

On an all-store basis for Australia, sales were down one per cent to \$229 million.

Chairman Michael Hill said man-

agement was focused on correcting the downward trend in Australia and there was still a full quarter to go before the full-year result.

Overall, the retailer had like-for-like sales growth of 0.9 per cent to \$358 million and total sales of \$382 million, up 3.5 per cent.

Michael Hill is based in Brisbane but listed on the New Zealand stock exchange.

The company opened 11 stores and closed two during the first nine months, taking total stores to 287 globally and lifting total revenue by 3.5 per cent.