



Stephen Burgin says with \$2 trillion locked up in super, Australia does not need foreign investment to buy Kidman.

SMSFs urged to pitch in to buy Kidman station

Sally Rose

A \$410 million crowdfunding campaign is being pitched to self-managed super fund investors in a bid to keep a majority Australian ownership in S. Kidman and Co, the country's largest landholder.

Self-described "fractional property investing platform" DomaCom has structured the proposed deal based on a valuation of \$400 million to \$410 million. That would provide a \$30 million to \$40 million sweetener to vendors, the Kidman family, compared with the reported \$360 million to \$370 million Chinese bid that was blocked last month when Treasurer Scott Morrison ruled the sale was not in the national interest.

The 101,000-square-kilometre cattle property, which represents 2.5 per cent of the nation's agricultural land, encompasses the Department of Defence's prohibited area at Woomera in northern South Australia used for top secret weapons testing.

Professional services firm EY, which is acting on behalf of S. Kidman and Co in the sale process, is still in negotiation with Chinese suitors and is expected to come back with a revised deal for the sale of part of the property.

Key points

Family to be offered \$40m sweetener to keep land in Australian hands.

Up to 10,000 investors must contribute \$35,000 each.

"The Kidman family should not feel rushed into accepting an offer from China when this alternative is on the table that would give them a better price, allow individual family members to retain a stake if they wanted to, and better protect the national interests in terms of both national and food security," DomaCom chief executive Arthur Naoumidis said.

Stephen Burgin, a senior adviser with the InterPrac dealer group of financial planners, spearheaded the idea of using DomaCom to crowdfund the rival bid to get retail investors in on the biggest land sale deal in the nation's history. Mr Burgin is also a seventh generation pastoralist whose family runs 22,500 acres in western Victoria.

"There has been a lot of commentary about how Australia needs foreign investment, but we don't, we've got

\$2 trillion locked up in super," he said.

Mr Naoumidis expects the offer will illicit a strong response based on both its "emotional" and financial appeal.

"SMSF investors have well over \$130 billion sitting in cash earning 2 per cent or less, so the chance to deploy some of that into a strategic asset like Kidman Station where they can earn an 8 to 9 per cent return is bound to be attractive," he said.

The participating dealer groups, including InterPrac Spring Financial, GPS Wealth, and Doma Direct, will pitch the offer to more than 50,000 investors on Wednesday.

To get over the line it is estimated that at least 10,000 investors would need to subscribe, based on an average participation of about \$35,000 each. The minimum subscription is \$2500. Perpetual would act as trustee of a DomaCom sub fund that distributed holdings in the company.

S. Kidman and Co includes 17 pastoral properties and three supporting properties in breeding, feedlot and cropping. It runs 185,000 head of cattle across Queensland, the Northern Territory and Western Australia.

Last year it generated a net profit of more than \$50 million or about 15 per cent return on capital.

Senator ridicules Yakuza-sourced car import claims

Misa Han and Luke Malpass

Senator Ricky Muir has attacked the car lobby's claim that lifting restrictions on used-car imports could risk Yakuza-sourced or radioactive Japanese vehicles being imported into Australia.

The Australian Motoring Enthusiast Party leader also slammed the government's continued restriction on used-car imports, saying it favoured the powerful car industry over the interests of regular Australian motorists.

Mr Muir said the claims that deregulating the used-car market could risk Japanese mafia-sourced or radioactive Japanese cars being imported were "outrageous".

"I would be very comfortable to laugh excessively loudly. I'm sure if there are issues with Yakuza the Japanese police can take care of it," Senator Muir told *The Australian Financial Review*.

Tony Weber, chief executive of Federal Chamber of Automotive Industries (FCAI), said on Monday there had been instances in New Zealand where used-car imports were linked to the Japanese mafia, the Yakuza, and instances where radioactive cars from the Fukushima nuclear disaster found their way to Russia.

Australian Imported Motor Vehicle Industry Association chief executive David Vinsen also criticised the car lobby's claims.

"These claims are preposterous, outrageous even, and should be seen for what they are: blatant scaremongering by the representatives of the foreign-owned vehicle manufacturers who want to maintain their monopoly control on the supply of vehicles into the Australian market," Mr Vinsen said.

He said close to 100 per cent of all vehicles imported to New Zealand were sourced from a domestic auction system and the New Zealand government had a stringent checking process, which prevented the import of vehicles that had been "rebirthed" by the Yakuza.

He also said all New Zealand imports were checked for radioactivity before being exported from Japan.

Senator Muir said the government's decision to keep the \$12,000 tariff and restrictions on second-hand car imports seemed to reflect the views of "a certain lobby group".

"It would seem that somebody's lobbied the government very hard ... unless there is an organised group on the other side, it's hard to get your point across," he said.

The peak lobby group represents foreign-owned manufacturers and importers including BMW, Mercedes-Benz, Toyota and Ford.

The FCAI spent more than \$133,000 on "public relations and media" in 2014.

Senator Muir said allowing parallel imports when the Australian car manufacturing industry closes in 2017 could benefit consumers and lower the age of cars on the road if consumers could buy quality used vehicles.

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ence – where the average age of fleet is 14 years old – suggested older cars could be reliable.

Mr Muir said he still had a 1998 Nissan with 350,000 kilometres on the clock in his driveway.

Last month, Paul Fletcher, the Minister for Territories, Local Government and Major Projects, ignored the recommendations from both the Productivity Commission and the Harper competition review and decided to keep the restrictions on parallel imports of second-hand cars.

Australian drivers are paying up to twice as much as Kiwis for used cars. For example, a second-hand Audi that costs \$23,000 in Auckland would cost \$35,000 in Sydney, the *Financial Review* reported.

Soccer federation to get \$2m from NAB

John Stensholt

National Australia Bank will give at least \$2 million a year to Football Federation Australia, providing a much-needed financial boost to the controversy-hit organisation.

The bank has agreed to increase the value of its existing sponsorship of soccer by at least 50 per cent from the \$1.35 million it contributed to the FFA last financial year.

The FFA has been the subject of intense criticism for its handling of the banning of 198 A-League fans from

matches, which resulted in a fan boycott last weekend that caused a large fall in attendance numbers.

The four-year contract, which will be announced on Wednesday, will include an advertising campaign featuring Socceroos coach Ange Postecoglou and Matildas women's national team star Steph Catley.

NAB will have commercial rights to the A-League, women's W-League, Socceroos, Matildas and other club and grassroots and junior development programs.

The deal is rare positive news for the

FFA, which has been hit by negative publicity surrounding the sport that is also suffering falling crowds and ratings for the A-League.

Led by new chairman Steven Lowy, the co-chief executive of Westfield Group, FFA officials will meet the chairman of the 10 A-League club owners in Sydney on Wednesday to discuss boosting interest in the league.

The FFA released figures on Tuesday showing participation in the sport, including junior and amateur ranks, had jumped 20 per cent in the past year to about 1.19 million people.



Ricky Muir is challenging the used-car import restrictions. PHOTO: CHRIS HOPKINS