



## Rear Window

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## Steel yourself for, er, Arrium

OneSteel's much-hyped rebranding exercise is complete and the company will henceforth be known as Arrium Limited.

Chief executive **Geoff Plummer** explained to media yesterday that the "ium" was a nod to the number of elements on the periodic table that boast that suffix, while the "arr" just made it easier to say.

Is this the silliest name change for a company since Toll Holdings chief executive **Mark Rowsthorn** spun off its port and rail operations in 2007 and named it Asciano, after a village in Tuscany, to spite his Italophile arch nemesis **Chris Corrigan**? Plummer engaged brand

consultants to design a new logo and corporate identity for the mixed-up steel, iron ore and mining services company.

While the consultants chose a purple design to reflect the colour of steel when it comes out of the furnace, Plummer wanted strong colours such as red and black. Sadly, though, he only ended up with a coat of arms resembling St Kilda Football Club's.

Now fancying himself an amateur marketer, he's vowed never to pay for expensive branding again. He boasted that the whole rebranding cost the company less than \$1 million.

Rear Window reckons it shows.

## Mitchell trumps Mark

Sky News aired an interesting program on Monday called *State of the Nation* in which anchor **David Speers** discussed "A Question of Leadership" with 12 eminent Aussies, including Cardinal **George Pell**, misunderstood pokies campaigner Father **Chris Riley**, media buyer **Harold Mitchell**, indigenous leader **Warren Mundine**, Korn/Ferry boss **Katie Lahey**, Greens senator **Christine Milne** and retired army chief **Ken Gillespie**. **Graham Richardson** was there too.

Mitchell was his usual humble self. "I started a digital business in 2000. Google was one year old. **Rupert [Murdoch]** said it wouldn't work. But I persisted." So he's basically **Mark Zuckerberg**?

Rear Window was admittedly disappointed to see Australia's mother of the year, **Gina Rinehart**, omitted from the line-up. **Clive Palmer** could've livened things up too ...

## A Carr out of control

It really does show that **Bob Carr** has only ever been the leader.

Yet again, the Foreign Minister was unable to stick to the team script yesterday, with an ill thought out thought-line on national television, this time advocating the decriminalisation of individual use or possession of certain illicit drugs.

It was, to borrow a phrase from Carr's predecessor, **Kevin Rudd**, a walk on the policy wild side. Admittedly, Carr's upload was prompted by the release of a report arguing that the war on drugs had been a failure.

And Carr signed on to support the campaign well before he was drafted into federal Parliament. And, indeed, the idea of letting a few kids with doobies go free so police can go after the **Tony Soprano**s is probably pretty sound thinking. But still, we're sure **Julia Gillard** didn't appreciate her new recruit riffing on drug law reform on *Sunrise*.

## A balls-eye view

The best April Fool's prank this year goes to the Seven Network – its Sunday morning AFL Game Day program ran a segment spruiking a new piece of broadcasting technology – a camera built into the Sherrin football.

"For many years even the thought of a camera inside a football has been laughable but a joint effort between Seven and the AFL has finally seen it come to light," the narrator began.

The segment even featured an impressively straight-faced **Andrew Demetriou**, who said: "We were approached by Seven during our broadcast rights negotiations. They've been working on this with their engineers and technicians for quite a while. We got very excited and to see it unveiled after a lot of hard work is very exciting."

Comically, the Sherrin in Demetriou's hands appeared to have a clunky lens stuck to the end,

but North Melbourne defender **Scott Thompson** insisted the ball played just like normal.

"I didn't know how it would go but I took a few marks and had a few kicks with it and there was no difference, so I'm looking forward to it."

The AFL's general manager of football operations, **Adrian Anderson**, then escalated the funny to a new level, appearing on camera to warn viewers they "might get a little bit seasick with some of the angles. But after a while they'll get used to it."

## SA leader farewelled

Former South Australian Liberal leader **Dale Baker** was farewelled at a memorial service in Adelaide on Monday after he lost his long battle with motor neurone disease, aged 73.

Baker was eulogised by his old friend and the man who carried THAT note in his wallet, **Ian McLachlan**, while other mourners included former Howard government ministers **Nick Minchin** and **Alexander Downer**, Liberal leader **Isobel Redmond** and former premier **John Olsen**.

His political foes also turned out to pay respects, including former and current premiers **Mike Rann** and **Jay Weatherill**.

McLachlan recalled Baker maintaining his legendary sense of humour to the end. Stripped of his voice, he used a whiteboard to communicate. At a funeral, he was seated next to a man with one leg. Baker wrote to him: "I will lead the singing if you lead the dancing."

Beyond politics, Baker had a successful career as a cattle breeder and flower exporter and was active in the farmers' federation with McLachlan and **Andrew Robb**.

## Banker, heal thyself

A study by WorkSafe Victoria and Monash University has revealed that the industrial relations system could be the least of the economy's productivity problems.

The study finds that employees in the financial services sector have one of the highest rates of health-related absenteeism and smoke more than their counterparts in other industries.

Also, more than 90 per cent don't eat enough fruit and vegetables, more than 70 per cent fail to exercise enough and more than a quarter of them suffer from high cholesterol.

## Manfield gongs in NY

Australian chef **Christine Manfield** took out the world's most prestigious cookbook gong on Monday night in New York.

The culinary travel book, *Tasting India*, won the award previously held by French Laundry and Per Se chef **Thomas Keller**.

# Cash in News

Provisions were made to pay police informants over a three-year period in the budget of a News Corp cyber security subsidiary, write **Neil Chenoweth** and **Matthew Drummond**.

**B**udget papers for the controversial News Corporation security arm accused of links to pay TV piracy show that the group arranged to pay £2000 each year over three years into what it described as "a contingency fund for police informants".

Surrey Police have said they are investigating a cheque for £2000 they received in June 2000 from the UK arm of Operational Security, a secretive unit attached to News Corp's technology arm, NDS Limited.

The money was paid out of a fund which appears in NDS accounts as budget code 880110, which NDS exec Len Withall, himself a former Surrey police detective chief inspector, described as "an amount of money set aside for payment to Police/Informants for assistance given to us in our work".

NDS said in a statement last week it was a one-off payment, which Surrey police say was used to buy laptop computers.

However, *The Australian Financial Review* has obtained budget papers prepared for OpSec UK (which had its own coding in the accounts as 1350), which show that NDS provided £167 a month over three years from 2000 to 2002 for budget line item 880110.

"This is a contingency sum for Police Informants," the UK head of Operational Security, Ray Adams, wrote to NDS accountant Greg Gormley on October 9, 2001. "No claims so far. Maybe none this year."

But a month later, on November 15, Withall was requesting £1000 cash from the same budget code.

"This is from 1350 880110 and is to be used for payment to some informants not covered under our normal payment system," Withall said.

Operational Security charged most of its expenses against BSKyB, which is controlled by News, raising the possibility that the funds paid into 880110 originated from the British satellite broadcaster.

British regulator Ofcom is investigating whether News is fit and proper to control the BSKyB broadcast licence.

Meanwhile security firms and pay television companies around the world have dismissed a series of claims by NDS executive chairman Abe Peled in the past week.

Controversy has swirled around NDS since

Peled's 1996 decision to hire some of the world's best hackers to protect the company's technology – NDS makes smartcards to ensure only paying customers are able to watch pay TV programming, by using a Conditional Access System.

"We are quite surprised by some CAS providers' statements where they pretend that all the CAS industry is working with pirates," a spokesman for Viaccess, the giant CAS arm of France Telecom, told the *AFR* this week.

"There is a fundamental problem which is that the motivations of pirates, and to be more precise of hackers, cannot be satisfied in the good side," said Nouredine Hamdane, executive vice-president for strategy and communication for Viaccess, which provides conditional access systems for 85 pay TV systems around the world.

"Therefore, then sooner or later they go back to their hobbies and habits."

**The budget allowance is described as an amount of money set aside for payment to Police/Informants for assistance given to us in our work.**

Hackers were also a contentious issue with NDS's biggest client, DirecTV, which in 2001 demanded that NDS hackers Chris Tarnovsky and Oliver Koemmerling be banned from touching their systems.

Viaccess has taken a particularly strong stance against piracy through senior executive Christine Maury-Panis's role as vice-president of the European anti-piracy body AEPOC.

AEPOC's former executive director, Davide Rossi, is facing a criminal trial in Sicily where prosecutors claim that he provided assistance and protection for an Italian hacker "in the exclusive interests of NDS".

NDS has vehemently denied any link to the piracy allegations. Peled has denied reports in the *Financial Review* that Operational Security promoted piracy in Australia and elsewhere around the world, by providing piracy codes and material for hackers.

# Home swoopers

An investment trend is emerging in the US, with firms buying thousands of properties to repair and rent out, writes **Motoko Rich**.

**A**t least 20 times a day, Alan Hladik walks into a fixer-upper and tries to figure out if it is worth buying. As an inspector for the Waypoint Real Estate Group, Hladik takes about 20 minutes to walk through each home, noting worn kitchen cabinets or missing tiles. The blistering pace is necessary to keep up with Waypoint's appetite: the firm, which has bought about 1200 homes since 2008, and is now buying five to seven a day, is in a business that some deep-pocketed investors are betting is poised to explode.

With home prices down more than a third from their peak and the market swamped with foreclosures, large investors are salivating at the opportunity to buy perhaps thousands of homes at deep discounts and fill them with tenants. Nobody has ever tried this on such a large scale, and critics worry these new investors could face big challenges managing large portfolios of dispersed rental

houses. Typically, landlords tend to be individuals or small firms that own just a handful of homes.

But the new investors believe the rental income can deliver returns well above those offered by Treasury securities or stock dividends. At the same time, economists say, they could help areas hardest hit by the housing crash reach a bottom of the market.

This year, Waypoint signed a \$US400 million deal with GI Partners, a private equity firm in Silicon Valley. Gary Beasley, Waypoint's managing director, says it plans to buy 10,000 to 15,000 more homes by the end of next year. Other large private equity investors – including Colony Capital, GTIS Partners and Oaktree Capital Management, in partnership with the Carrington Holding Co – have committed millions to this new market, and Lewis Ranieri, dubbed the inventor of the mortgage bond, is considering it, too.

In February, the Federal Housing Finance Agency, which oversees the government-backed mortgage companies Fannie Mae and Freddie Mac, announced that it would sell about 2500 homes in a pilot program in eight metropolitan areas, including Atlanta, Chicago and Los Angeles.