Scott lives high life as Catch dies

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Body

We took a pop at Star Entertainment's CEO Steve McCann and its chair Anne Ward for turning up to the tennis finals on Sunday, which looked weird because their casinos are on fire and they're begging for money all over town. And so on that basis we figured it reasonable to drop a flying elbow on Wesfarmers CEO Rob Scott over his jaunt to the Swiss Alps in the midst of an internal crisis of his own.

Not unlike McCann and Ward, their presence at the finals showing much optical imprudence, Scott was at Davos last week, the Super Bowl for the rich, just as Wesfarmers was putting his name to a press release announcing that its perennial dog-of-a-business, Catch, would be wound down to zero. What better time to sink a cocktail and stuff your face with fondue - or shimmy around to a live performance by Duran Duran at the big Salesforce party, which Scott, hungry like the wolf, dutifully -attended.

Catch was acquired in 2019 for $230m, but apart from a growth spurt during the Covid-19 pandemic it's done nothing but tank hard and fast in the face of Amazon, Shein and Temu, the Chinese purveyor of cheap, breakable crap people are buying by the buttload.

Scott's eulogy of Catch to the ASX tried to smear out the bloodbath. Yes, the business sucked, and yes, our pet goose got the axe but, hey, Wesfarmers still gained "valuable insights and capabilities that have accelerated the group's digital transformation and supported the â€¦" We'll spare you the guff, you get the idea.

According to Wesfarmers' accounts, Catch shed $96m during the last financial year, and Scott told investors that winding it down would soak up another $60m in exit costs, bringing total losses for the business, or so we hear, to a ballpark figure of about half a billion dollars. Small change for some in Davos, but we doubt Scott was making any of this unpleasantness known while hoping to bump into someone high-status around the staircase of the Congress Centre.

It's obvious what Scott was hoping to gain from Davos. Doesn't every small pond CEO want to kick back in the end zone with Jamie Dimon and Blackstone CEO Stephen Schwarzman? Doesn't everyone want to see Yo-Yo Ma get gently dusted with cloud-soft snow while performing Bach on a mountainside?

Of course Scott didn't need to be there. Wesfarmers doesn't have a tonne of assets outside of Australia and New Zealand, and its forays into offshore markets have been absolute duds. Remember Bunnings UK and Ireland? Yet another dog, sold for a British pound by the time the shades were drawn. Woof.

Let's not even mention Wesfarmers' acquisition of a West Australian mining site, a most unprofitable venture given the current prices of lithium hydroxide. The commodity has crashed from highs of $US84,000 a tonne, in 2022, to as low as $US10,550 in October - and the numbers have barely eked upwards since.

Wesfarmers' response to our questions on this Davos caper was equally puzzling. All we wanted to know was how many company representatives attended with Scott and how much it all cost.

"Unfortunately, we are in a full media blackout in the lead-up to our half-year results in Feb, so we can't comment on your below request," a Wesfarmers spokesman said.

Sure, because the boss's attendance at the World Economic Forum has such a pivotal bearing on the company's earnings. Give us a break.

Game for a laugh A press release landed in our inbox on Thursday announcing the launch of Monopoly: Central Coast Edition, named in honour of the retiree haven of NSW nestled between Sydney and Newcastle (also known as God's Waiting Room).

This is where Anthony Albanese recently bought a $4.3m house atop a cliff in Copacabana, a suburb whose streets, we imagine, are a shot at being located at the Mayfair and Park Lane sector of the board, thanks to their glow-up from Albo's arrival. Woy Woy's less-salubrious Railway Street is shaping as a lock for the lesser-loved brown tiles of Whitechapel and Old Kent Road. They're the one just after "Go", where even a proud row of hotels won't even come close to winning you the game. Only an idiot buys up that real estate.

Besides, everyone knows the smarter money trains its eye on the yellow or green tiles closer to Free Parking, and we're guessing they'll be named after streets in Avoca Beach, where Atlassian co-founder Scott Farquhar bought a mansion two years ago, or perhaps Terrigal, where rich-lister Tony Denny listed a penthouse last year.

Of course, there'll still be a square stipulating a payment on Income Tax, with the usual fine of $200 expected. But in this edition we imagine the retiree players get a pass; instead they actually get money back from all their franking credits.

Hydrogen hope lost Another day, and another one of Andrew Forrest's hydrogen projects bites the dust.

News that Incitec Pivot has officially put the site of its mothballed Gibson Island ammonia plant on the market should finally put a tombstone on the project that was for years supposed to be ***Fortescue***'s flagship Australian green ammonia play.

Not that you'd know it from ***Fortescue***'s disclosures. The mining major put Gibson Island on the backburner 15 months ago citing high electricity costs. Despite missing multiple deadlines for the financial close on the multibillion-dollar project last year, ***Fortescue*** refused to admit that the horse was dead, telling the world it was still working to reduce costs.

Even when Incitec flagged plans to sell the Brisbane site in November, ***Fortescue*** would only say it remained committed to green hydrogen but energy costs in Australia are too high, and it would never commit to a project that wasn't commercially viable, etc etc.

And on Thursday the company still wasn't going any further, despite the sight of real estate agents spruiking the value of the land.

Pretty much everyone else involved has abandoned ship. Even the Australian Renewable Energy Agency, which chipped in $13.7m of taxpayer cash into the $55m spent on feasibility studies. ARENA's website, as of this week, says the project was completed on December 18.

No mention of the project's presumed abandonment in ***Fortescue***'s most recent quarterly production report, although iron ore boss Dino Otranto promised analysts "a more comprehensive view" of the status of its green energy projects at ***Fortescue***'s half-year financial results in February last year.

Fortescue's own website still lists Gibson Island as a viable project, with commercial production planned for 2026.

Forrest himself was still banging the drum at Davos this month, telling Bloomberg he believes the dream is still alive, even after ***Fortescue*** sacked 700 people last year as it rationalised its energy and mining divisions.

"There is a new form of hydrogen, which will come onto the marketplace, which will be a lot cheaper," he said. "We're not yet in a position where I want to talk about it publicly." We can't wait to hear about it.

INSIDE MARGIN CALL Another of Twiggy's hydrogen projects bites the dust

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