



Forrest still dreaming of power

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Body

Andrew Forrest's humiliating retreat from his overblown, overstated green hydrogen ambitions have been well documented in recent weeks. But what's the harm in a recap?

Not only has the **Fortescue** empire abandoned plans to produce 15 million tonnes of green hydrogen by 2030 (it was supposed to have started on that objective last year), but now up to 700 workers who've been banging away at the pipedream are also facing the sack.

A sad outcome, and one that adds a dimension of absurdity to unseen photographs helpfully leaked to Margin Call this week.

You've heard of the comical meme known as How it Started vs. How it's Going? Well, what a difference these images show.

In the first, **Fortescue** officials lay out a tapestry of dreams to Credit Suisse bankers, in 2020, enwrought with details of a green hydrogen start-up that, by 2028, they said, would have an energy output "larger than Saudi Aramco's and growing".

Utter tosh, of course. Saudi Aramco remains the biggest energy company on the planet. To say **Fortescue** is on track to be situated in the same ballpark, let alone the same galaxy, is preposterous. The company will be lucky to produce 20,000 tonnes of hydrogen a year if it manages to complete its first-round projects by 2028. No one would be daft enough to hold their breath for that, except maybe the **Fortescue** spokeswoman who answered our inquiry, and who told us the company remained "proud of the progress" it had made so far.

We really shouldn't laugh. Tread softly, for you tread on their dreams. The second photograph features Forrest and a trio of **Fortescue** employees - former chief of staff Claudia Blanch, company lawyer Emily Ward and ex-security chief Damien Rogers - in front of Saint Basil's Cathedral in Moscow at the height of the Covid-19 pandemic, an odd sight for a billionaire so fervently on the side of Ukraine these days.

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Forrest reportedly seeded \$750m into a fund with BlackRock's Larry Fink for the reconstruction of the war-torn nation, while his Minderoo foundation separately committed \$20m to worthy causes.

But in 2021, Forrest was giddy about Russia, hamming it up in Red Square and busily talking green hydrogen to an economy that backstrokes lazily through pools of oil and gas revenue.

At a St Petersburg economic forum held that year, Forrest met with Russian Deputy PM Alexander Novak and apparently an oligarch or two. Regulation stuff, how could he not? Did he smack himself with birch leaves in a banya, too? Scope out a dacha? We'll never know.

And obviously this all preceded Forrest's withdrawal from Moscow, where he no longer has business, although one might argue the writing was already on the wall for Kyiv as Twiggy paid a visit to the Kremlin.

Which makes us wonder: what was he doing there in the first place?

Ex-PwC man pops up A rare sighting this week of Sean Gregory dipping his toe back into public life. Gregory, for those with short memories, was one of eight partners to be booted from PwC Australia in the aftermath of that business with tax secrets.

A year on since PwC shoved him off a plank accusing him (and others) of failing to stop the proverbial train before the crash, he was spotted on stage at a tech and AI forum hosted on Tuesday by the Australian British Chamber of Commerce.

Guests included WiseTech CEO Richard White, former News Corp exec and ABC deputy chair Peter Tonagh and Microsoft's Steven Worrall (the tech giant having sponsored the gathering).

This would be Gregory's first time raising his head above the parapet since the mess of last year. He happens to be a director of the ABCC and has been for two years, according to his LinkedIn account, which explains why he was running the forum.

As for what Gregory's been up to, word around town is that since the ugliness of PwC he's been studying the business of artificial intelligence at MIT, with ambitions, apparently, to start a VC play on the same theme. We put that to him, but he declined to comment.

More ACU pain Philosopher Stephen Finlay, formerly of the Australian Catholic University, was left unemployed last month after his position and those of his colleagues were unexpectedly terminated from the Dianioia Institute.

It's harder to come by a more heartless decision by the university and its vice-chancellor, Zlatko Skrbis. Foreign scholars left safe jobs at prestigious universities to be lured to ACU in 2019 on the promise of stable employment. They, along with Finlay, are all out of a job, with Finlay making his feelings known last month.

"My family and I are now in a dire situation, as the timing of this could hardly be worse," he wrote on Facebook. "While I am dying to be able to share more about events at ACU, I cannot say more at present." And perhaps now we know why.

Listed on Monday in the Melbourne division of the Fair Work Commission is an unfair dismissal case between Finlay and the university, with Skrbis and others named as the respondents. Deputy president Bernadette O'Neill will oversee the matter via the modern method of "Teams".

Given the contemptible treatment Finlay and his colleagues absorbed, this kind of court action would seem to have been inevitable, with others surely lining up to pursue the same course.

After all, ACU sold them out, along with the entire philosophy institute, to address financial woes of the university's own making. We asked ACU for a comment but it declined.

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Minding P-2's and Q's Companies and governments live or die by the credit scores they're awarded from the ratings agencies. Mistakes, you'd imagine, would come by rarely.

Or maybe not, judging by a curious release from Moody's this week. Margin Call's interest was piqued by a sudden upgrade to Qantas's short-term credit rating from Moody's, the timing of this adjustment a bit odd considering the airline won't report its annual profits for another week.

But it's not that Moody's has suddenly gleaned fresh insight into the airline's credit worthiness. Instead, it has uncovered a three-year-old mistake in its own homework.

We'll spare you the jargon, but essentially it "mistakenly assigned" a short-term rating known as P-3 to Qantas, instead of P-2.

The difference?

A rating of P-2 suggests a "strong ability" to repay short-term debt obligations, according to Moody's guidelines. The alternative of a P-3 rating isn't exactly a deadly downgrade, but it's more like an "acceptable ability" to repay those obligations.

Not that this flub seemed to bother Qantas much - it never even raised a complaint. And sure, mistakes happen, but it does bring into question whether the ratings agencies are the paragons of exacting analysis and impeccable reputation they claim to be.

INSIDE MARGIN CALL A rare sighting this week of ex-PwC partner Sean Gregory

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