

BUSINESS



FINGER ON THE PULSE

Chris Herde knows all the deals and developments taking shape in Brisbane and on the Gold Coast Prime Site Tomorrow

ASX200
▼ 92.1 PTS
5614.6 PTS

DOLLAR
▲ US0.43¢
US74.15¢

OIL
▲ US42¢
\$US50.86

GOLD
▼ \$US11.69
\$US1094.97

RETAILERS FIND ROB TU BEAUTIFUL

JACINDA TUTTY

IF YOU'VE walked into a Kookai, Nandos, Grill'd or any other major retailer recently, chances are Tu Projects fitted it out.

Brisbane-based shopfitter Rob Rowe has taken his company through an incredible growth spurt, after starting the business with just \$64 to his name at 23 years old, using a "crappy" laptop and makeshift desk in his bedroom.

Tu Projects is expecting to pull in more than \$114 million in revenue this year.

Having worked in his family's shop fitting business in his earlier years, Mr Rowe realised there was a niche to use model systems and technology to provide a cost-effective service.

He can show clients step-by-step progress on their project, including variations in costs and design concepts.

Tu Projects is a finalist in the 2015 Telstra Queensland Business Awards. News Corp Australia, publisher of *The Courier-Mail* is the official media sponsor.



SHINING EXAMPLE: Rob Rowe of Tu Projects, which is growing quickly. Picture: Ric Frearson

BHP's record coal run ends with mine closure

Shares slide over fears of rate cut

JOHN MCCARTHY

BHP Billiton has called an end to its run of record-breaking coking coal production with the planned closure of its Crinum joint venture mine in central Queensland.

The mining giant said its Queensland coal operations had produced a record 43 million tonnes (Mt) in the year, up 13 per cent, but that was likely to fall to 40Mt next year as the shut down of Crinum cut into output. "At current mining rates, operations at Crinum are expected to cease in the first quarter of the 2016 calendar year as the mine approaches the end of its economic reserve life," BHP said in its annual production report. "Pro-



duction is forecast to decrease in the 2016 financial year to 40Mt as a result of the closure of Crinum."

Workers have been informed but there is no commitment to find them roles at other sites. Coal was not the only record breaker for the 2015 financial year. Iron ore and petroleum were also at re-

cord levels and chief executive Andrew Mackenzie (pictured) said the simpler portfolio following the demerger of South 32 would help maintain the pace of operational improvement, further supporting cash generation and returns.

But commodity prices had bitten into the mining giant's forecast profit. The cost is ex-

pected to be \$US382 million.

"Our businesses performed well over the 2015 financial year. We have improved the performance of our equipment, reduced costs and increased volumes despite a significant reduction in capital spend," Mr Mackenzie said.

"Better productivity will be the sole source of volume growth at Western Australia iron ore in the 2016 financial year with production forecast to increase by 7 per cent and unit costs are expected to fall to \$US16 per tonne."

BHP, which spun off assets this year into South32 so it could focus on iron ore, petroleum, copper and coal, downgraded its petroleum production forecasts yesterday.

It predicts production for its petroleum division over the year to next June will fall 7 per cent to 237 million barrels of oil equivalent. Copper production is tipped to decline 12 per cent. But the company will take a \$US650 million (\$876 million) hit to its full-year profit due to writedowns and redundancy costs, mostly linked to its copper business.

The impairments come on top of \$US2 billion in post-tax writedowns to its US shale oil business, announced last week.

South32 yesterday announced a writedown of \$US1.9 billion on its manganese and coal businesses.

BHP shares fell 55¢ to \$26.27 yesterday, while South32 fell 4¢ to \$1.785.

AUSTRALIA'S benchmark share index slumped 1.6 per cent yesterday as Reserve Bank governor Glenn Stevens left open the door for an interest rate cut.

The ASX 200 fell 92.1 points to 5613.6 points due to a number of factors including negative overseas leads.

Mr Stevens told a business lunch that a further interest rate cut was possible.

St George senior economist Jo Horton said yesterday's inflation figures were not enough to sway the RBA to cut rates.

Australia's consumer price index rose 0.7 per cent in the June quarter and 1.5 per cent for the year. That was below the 1.7 per cent annual rise economist had expected, and well below the RBA's 2 to 3 per cent target band.

Brisbane's CPI tracked the national figures, with petrol, up 13 per cent, the main contributor in the June quarter.