

SMART MONEY

Australian indices	
ASX200	6359.7
All Ords	6371.2
Industrials	7027.6
Prop Trust	2439.6
Financials	7002.9
Info Tech	557.9
Overseas	
Dow Jones	13,782.47
Nasdaq	2,654.29
FT-100	6426.20
Nikkei	16,312.61
Hang Seng	25,843.76
Interest Rates	
90-day bills	6.966
180-day bills	6.923
10-year bills	6.155
Currencies	
US\$	BUY 0.9696
UK£	BUY 0.8542
SwitzFr	BUY 0.4359
Euro	BUY 0.6223
Japan yen	BUY 100.10
Hong Kong\$	BUY 6.7821
New Zealand\$	BUY 1.1798
SELL	
US\$	SELL 0.4203
UK£	SELL 0.5989
Japan yen	SELL 97.712
Hong Kong\$	SELL 6.6202
New Zealand\$	SELL 1.1484
Top Five by Value	
BHP-Billiton	\$6713.61m
Rio Tinto	\$266.07m
Woodside	\$217.64m
NAB	\$181.10m
Lincoln	\$125.12m
Top Five by Volume	
EmpireCN	179,572,738
Carminon	54,068,595
BBL EPS prf	36,225,882
Chimuseon	33,538,423
Lincoln	32,347,248

COMMODITIES

	Latest	Previous
COPPER: Base	9169	9172
TIN: Aust spot	20,935	21,053
ZINC: Special high	4164	4164
No. 3 alloy	4346	4346
LEAD: FairPr	4081	4081
SILVER: Spot	15.38	15.24
GOLD: Perth Mkt	852.12	846.53
SUGAR: US\$lb	9.84	9.89
Oil: US\$barrel	84.16	81.16

LONDON

	Latest	Previous
Wednesday's 1500 Tt gold price was \$457.44/50/one ounce. Gold closed in Sydney yesterday at \$736.89/oz.		
PLATINUM	1323	1306
COPPER	7890	7885
ALUMINIUM	2442	2484
NICKEL	32,604	33,800
ZINC	15,250	15,290
TIN	15,350	15,350
LEAD	3255	3235

Leading the way

Builder HQ to feature sustainable equipment

BY TONY RAGGATT

AN old warehouse at Garbutt is set to be our greenest office building.

Hutchinson Builders is transforming a former BOC Group gas warehouse in Duckworth St into their new Townsville headquarters.

In the process, they are installing the latest environmental features.

Project manager Ben Prest, a team leader for Hutchinson in Townsville, said it was hoped the project would position Hutchinson as a leader in sustainable building and give them the edge in winning business.

"By installing these features in our own building we can show what can be done," Mr Prest said.

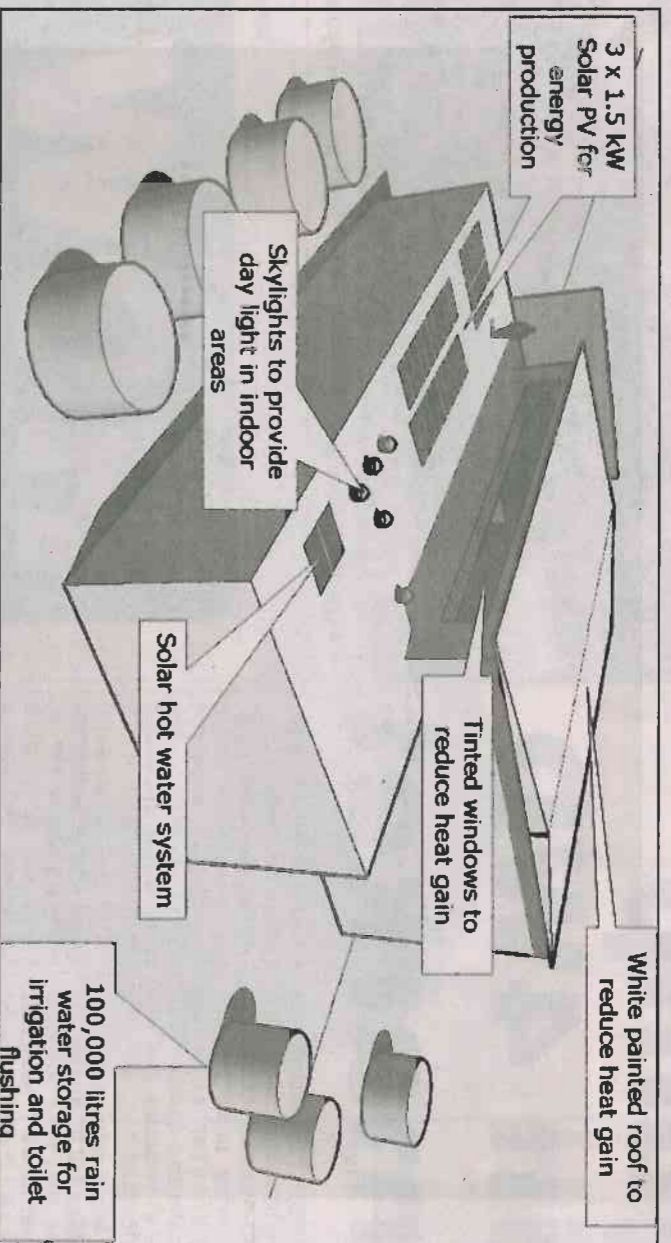
The company is being assisted by Townsville sustainability consultant Guy Lane.

While the features were expected to increase construction costs, these would be offset by lower operating costs and hopefully a more productive workplace.

Hutchinson was looking to halve the greenhouse gas emissions generated by the use of electricity at its current Aikkenvale premises.

"There is a huge opportunity for this building to become an icon of sustainability in Townsville and show the city a new way of developing property," Mr Lane said.

He said the building's most striking feature would be the near-



GREEN MACHINE... the power-saving features of Hutchinson's new headquarters



exclusive use of daylight during office hours.

Reflectors, called lightshelves, on the western windows would allow diffused light into the building and six solar tubes or skylights would help provide light during the day in the toilet and storage areas.

Mr Lane said research into the use of natural lighting in postal service buildings in the United States had found that it improved productivity be-

cause postal workers could see better than under artificial light.

'Day-lighting' was also found to improve comfort and health, he said.

When the building's lights were turned on, a bank of super-efficient 28-watt T5 fluorescent lamps would provide lighting in zoned areas.

They would fitted with motion sensors and timers to turn them off automatically when not needed. Other measures would

reduce water and electricity demand.

Tanks would store 100,000 litres of rainwater which would be used for irrigation on the property and for toilet flushing.

A Caroma Zero Flush waterless urinal would be installed and AAA low-flow shower roses fitted to showers.

A 250 litre Dux Solar 1 solar hot water system would provide hot water.

The roof of the building would be painted white to

reflect sunlight and reduce heat in the building.

Split-system air-conditioners and a chiller-based system would cool the building and a 5.6 kilowatt photo-voltaic solar power plant system was being considered.

Mr Prest said the system would cost \$70,000 but would cut \$1000 a year from power bills.

Additional mains energy would be sourced from Ergon Energy Clean Energy, a certified GreenPower product producing zero greenhouse emissions.

The building is due to be completed this month.

Pallinghurst bid

PALLINGHURST Resources Ltd has indicated it is still in the hunt for Consolidated Minerals Ltd after extending its takeover bid for the manganese miner.

The private equity group, which is led by former BHP Billiton Ltd chief executive Brian Gilbertson, sparked speculation yesterday that its fight for ConsMin was over after demanding a \$10 million break-fee from the target.

Pallinghurst demanded the break-fee after the manganese miner backed a rival takeover bid from the Ukrainian-backed Palmarty Enterprises Ltd. Palmarty is offering \$4.50 cash for every ConsMin share, valuing the manganese miner at \$1.03 billion.

Cazaly fights on

JUNIOR explorer Cazaly Resources Ltd has taken steps to bring its battle for the Shovelanna iron ore tenement in Western Australia to the High Court.

Late last month the Supreme Court of WA rejected Cazaly's appeal to wrest back control of the tenement from resources giant Rio Tinto Ltd.

Cazaly's appeal aimed to overturn a state decision to terminate the mine's claim to the iron ore tenement in WA's Pilbara region.

Cazaly is now seeking leave from the High Court of Australia to appeal the decision.

At the last appeal Cazaly was ordered to pay Rio's and the State Government's legal costs. Shares in Cazaly closed two cents - or 6.25 per cent - higher, at 34 cents.



Saul Eslake

Anxiety eases on loans crisis Market eyes US

THERE are undoubtedly some ugly surprises in store, but anxiety caused by the sub-prime loans crisis in the US may already have peaked.

The RBA's liquidity management operations have borne fruit, with the help of some reassurance from the US Fed's half

percentage point rate cut on Tuesday. The emerging picture shows market players demanding less reassurance that

counterparties to their operations might be at risk from rising default rates on those low-quality housing loans in the US.

The gap between bill yields and the expected cash rate (as measured by the rate on overnight index swaps traded by players in the overnight cash market) has narrowed. In the past few days it has fallen as low as 30 basis points.

The average aggregate

balance in ES accounts since August 10 has been \$3.7 billion, compared with a more typical \$900 million on the preceding six weeks.

It's early days yet, but these trends suggest market players are taking a more realistic approach to pricing risk, meaning less chance of a compensating rate cut from the RBA - which could mean a rate hike is a possibility for later this year or early next year.

The average aggregate

Grant may make crisis worse

ANZ chief economist Saul Eslake says that calls for an increase in the first home buyer's grant are ill-founded and will simply compound the housing affordability crisis.

With a federal election looming, Coalition backbenchers this week called for action on housing affordability, some suggesting the first home buyer's grant should be increased.

But Mr Eslake said the first home buyer's grant had actually made housing affordability worse and any

increase in its value would simply compound the problem.

Housing affordability is already at record low levels, and getting worse, as supply levels continue to dry up in spite of increasing demand.

It's that gulf between supply and demand that has driven house prices to excessive levels. This has been spurred on by competition between first home buyers and investors encouraged into the market by a cut to capital gains tax in 1999 and more recently by the first home buyer grants.

"Whereas, the reason for dire housing affordability back then was high interest rates and the solution to it was low interest rates, which in principle is easy enough to achieve, today housing affordability is as bad as it is because of high house prices," he said.

"And really, the only solution to that is lower house prices."

THE Australian stockmarket closed in negative territory amid uncertainty about the health of the American economy, despite the half a percentage point interest rate cut by the US Federal Reserve. The benchmark S&P/ASX200 index lost 35.8 points to 6357.9, while the all ordinaries dipped 29.7 points to 6371.2. At the close of day trading on the Sydney Futures Exchange, the December share price index contract was 31 points lower at 6422, on a volume of 17,417 contracts.

One dealer said the market got off to a poor start following a weak lead from Wall Street overnight. "Traders are still on a nervous wait until next week when key data about US home sales and consumer confidence will be released," he said.