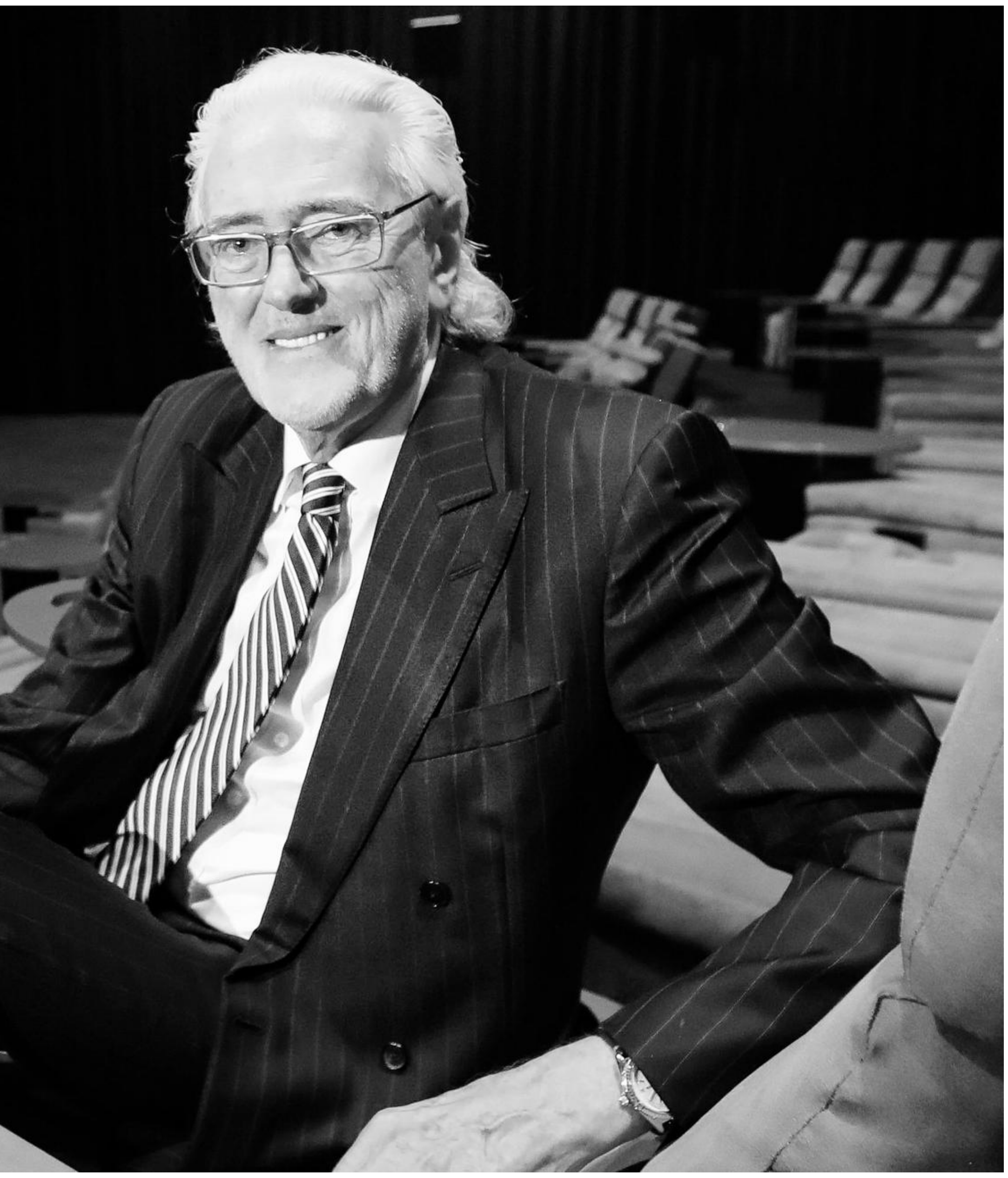
ASX 200

6669.10 +5.70 +0.08%

The market has finished marginally higher despite losses by the heavyweight financial sector.

ALL ORDINARIES	BEST ASX 50	WORST ASX 50	$A	OIL BRENT	IRON ORE
	ORICA LTD	ANZ BANKING	US CENTS	$US PER BARREL	$US PER TONNE
6779.10	$23.73	$26.19	69.02¢	$60.21	$82.75
+6.20 +0.09%	+.83 3.62%	-.55 -2.06%	-0.20 -0.28%	-0.42 -0.69%	-7.05 -7.85%



Village chief bows out

tractions Sea World, Warner Bros Movie World and the Wet'n'Wild parks.

"We're in the business of what I call the experience economy," Mr Burke says.

"People want to buy experiences. They're less likely (now than previously) to buy physical things."

The theme park division is now Village Roadshow's biggest. Visitor numbers fell significantly in the wake of the 2016 tragedy at Dreamworld operated by another company, Ardent Leisure, in which four people died when a ride malfunctioned.

Mr Burke says that three years on, Village Roadshow's theme parks have recovered strongly. The broader company is also performing well after a difficult patch, he says.

"I'm finishing my tenure as chief executive on a high note, which is very pleasing," he says.

After two years in the red, the company returned to profit last financial year, and earnings before interest, tax, depreciation and amortisation in the theme park business doubled. Village Roadshow has also resumed paying dividends following a three-year hiatus.

The company is "well and truly back", Mr Burke says.

Though the curtain is coming down on his tenure as chief executive — one that has stretched more than 30 years — Mr Burke's service to the company will continue.

He will remain on the board after handing the chief executive reins to Clark Kirby, the head of the group's theme parks and the son of outgoing chair Robert Kirby, at the end of the year.

Mr Burke says he is looking forward to providing the "benefit of my years of experience and relationships and adding value as a board member should".

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MARKET WRAP

THE share market closed marginally higher yesterday despite losses by the financial sector.

The benchmark ASX 200 index was 5.7 points, or 0.09 per cent, stronger at 6669.1 points, while the broader All Ordinaries ended the session up 6.2 points, or 0.09 per cent, to 6779.1 points.

"By the skin of our teeth, we've started November on a good note," Bell Direct market analyst Jessica Amir said.

ANZ led the big four banks lower — 2.1 per cent to $26.19, **Westpac** fell 1.2 per cent to $27.88, **National Australia Bank** 0.7 per cent to $28.41 and the **Commonwealth Bank** 0.5 per cent to $78.24.

Macquarie Group rose 0.3 per cent to $134.38 after it lifted first-half profit 11 per cent to $1.46 billion.

In the healthcare sector, CSL and sleep apnoea treatment company ResMed hit all-time highs, with **CSL** rising 1 per cent to $258.65 and **ResMed** 1.3 per cent to $21.54.

Cochlear was up 1.1 per cent to $213.93, **Ramsay Health Care** 1.4 per cent to $69.46 and **Avita Medical** 8.4 per cent to 64.5c after reporting quarterly revenue rose 165 per cent to $7.9 million on increased sales of its spray-on skin system.

New Hope Corporation was the biggest gainer on the ASX 200, rising 6.6 per cent to $2.27 after the Queensland Court of Appeals cleared the way for final approval of expansion to its New Acland open-cut coal mine.

Rate cuts alone can't kickstart economy

THE SHORT CUT

ROGER MONTGOMERY

WHILE everyone else is debating whether the Reserve Bank of Australia should or shouldn't cut interest rates further, I have been pointing out in this column that ground zero for the Australian economy is the residential building sector.

A 40 per cent decline in building approvals from their peak in November 2017 means that there are 40 per cent fewer intentions to build new homes.

Consider the consequences. Residential construction employs 3.5 per cent of the entire Australian workforce. Think architects, chippies, brickies, plumbers, sparkies, landscape designers and concreters among others.

If councils around Australia have already seen applications for building drop by almost a half, that means very soon actual construction activity is going to decline precipitously.

But don't worry, the RBA is cutting rates.

Problem is, rate cuts aren't doing a whole lot other than increasing auction clearance rates.

They're not incentivising the ordering of a new house or apartment and while rate cuts certainly help stoke the market for established properties, any positive impact is felt most by those who already own a home or other assets.

In theory, rate cuts also have the effect of driving business investment, but one wonders what impact lower interest rates can have if rates are extremely low already and have been for some time.

More concerning, however, is when business uses lower interest rates to invest in technology that displaces human workers.

Meanwhile, rate cuts are bleeding retirees dry. A million dollars in a term deposit now only earns $14,500 per year (CBA) — much less than the poverty line which sits at $22,516 per year.

It's the same as the Newstart allowance of $14,534 for a single person with no children.

How does a retired couple live on that without depleting their capital and finding themselves dependent on government support?

Retirees are enduring their own private income recession. There are now more than 1.9 million Australians aged 65 years and over who either in part or fully self fund their retirement.

Add to that list the 3.5 per cent of the 10.7 million strong workforce who work directly in residential construction — that is 3.7 million people — and we have a total of 5.6 million people whose income has or will be in serious decline.

Looked at that way, it's hard to imagine how rate cuts alone can help.

I am encouraged to hear state and federal governments using maintenance and infrastructure programs to get builders working, but more will need to be done if we are to avoid a sharp slowdown in the new year.

While rate cuts are helpful, they are more effective when combined with fiscal policy. By that I mean to say lower-income workers in Australia need serious tax cuts.

Lower-income workers spend a higher proportion of their income and, provided the extra dollars don't go to paying off mortgages, there can be an immediate and tangible improvement in the economy.

ROGER MONTGOMERY IS CHIEF INVESTMENT OFFICER AT MONTGOMERY INVESTMENT MANAGEMENT

ACCC halts Telstra fees

SUPRATIM ADHIKARI
TELCOS

THE competition watchdog has opted to maintain the status quo on wholesale prices charged by Telstra for existing services that are not provided over the national broadband network.

It means the door has effectively been closed on any meaningful cuts to those wholesale prices over the next five years.

The Australian Competition and Consumer Commission's directive, issued yesterday, means there will be no price increases on seven regulated fixed-line wholesale services, provided predominantly by Telstra, until June 2024.

The NBN rollout is scheduled to be completed by June. However, many consumers will remain on their legacy ADSL services, with full migration to the NBN unlikely to be complete before 2022.

Rod Sims

Most consumers have 18 months to switch from Telstra's legacy networks to the NBN once their area is ready.

Telstra had originally pushed to raise wholesale prices for the legacy services but changed its tune last year, telling the regulator it was happy for current pricing to continue.

With most telcos now having more NBN customers than legacy ADSL customers the ACCC's decision will be broadly welcomed by the industry.

However, it is likely to provide fresh ammunition for telcos in their ongoing tussle with NBN Co, the company building the NBN, on the prices it charges for wholesale access.

The ACCC's decision will come into effect on November 15 and the regulator said its ruling should mean wholesale prices for non-NBN fixed-line services fall in real terms over the next five years.

"Our decision will provide real price reductions and certainty for the industry in relation to voice and broadband services which are still being provided through Telstra's copper network and other legacy infrastructure," ACCC chair Rod Sims said.

"Maintaining the current prices and other terms of access will give the industry some certainty and stability as the NBN migration continues."

THE AUSTRALIAN