

ASX 200 7090.50 +2.50 +0.03% Australian stocks have given up nearly all of their gains, but are still on track for their best month in decades.		ALL ORDINARIES 7203.20 +4.20 +0.05%	BEST ASX 50 JAMES HARDIE \$31.57 +.66 2.14%	WORST ASX 50 IAG LTD \$7.30 -.42 -5.44%	\$A US CENTS 68.46¢ -.14 -.20%	OIL BRENT \$US PER BARREL \$62.14 -.48 -.76%	IRON ORE \$US PER TONNE \$94.40 -.36 -.38%
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of the famous fleece?

rollout of single-branded service stations.

Prior to this, service stations had sold a variety of brands.

It also pioneered roadhouse dining: A menu from the early 1970s offered entrees of beef croquettes and tomato and vegetable soup, and main courses including chicken Kiev, T-bone steaks, and ham and pineapple salad.

Caltex Australia took over the company in the early 1980s.

While it phased out its unique livery from petrol sta-

tions, government records show it has continued to register the trademark.

Caltex told *Business Daily* it did not intend to bring back the brand.

"We have no current plans to revive Golden Fleece and are focused on relaunching the iconic Ampol brand to the Australian market in 2020," the company said.

"These plans are well progressed. However, Golden Fleece's reputation for customer service and high-quality fuel and food on the road is

something that will be front and centre in our customer offer through the Ampol brand."

In 2018, Caltex acquired a collection of Golden Fleece memorabilia from Paul Lukes and Clare Gordon, avid Golden Fleece collectors in Sydney.

Chevron's move to terminate its licensing agreement with Caltex Australia follows the US oil giant returning to the Australian petrol station market by buying Puma Energy. Chevron is expected to rebrand Puma to Caltex.

Rival Village suitor emerges

VILLAGE Roadshow shares have rallied to their highest level in almost two years after the company revealed it was being circled by a second private equity house.

The cinema and theme park operator yesterday announced it had been approached about a potential buyout by Melbourne-based BGH Capital.

In an unsolicited proposal, BGH would pay \$4 a share for Village — a premium of 10c on

PETER TAYLOR DEALS

the \$3.90 offered by the group's other suitor.

Sydney-based Pacific Equity Partners lobbied a proposal to buy Village shortly before Christmas, sending shares in the group surging.

Pacific Equity, which previously owned rival cinema operator Hoyts, also snapped up a 19 per cent stake in Village.

The offer from BGH gives the company, which owns Village Cinemas and theme parks including Sea World and Warner Bros. Movie World on the Gold Coast, a market value of \$776.9 million.

Shares in Village spiked more than 20 per cent after Pacific Equity's approach was announced. Yesterday, they rose 4.4 per cent to \$4.02 — their highest closing price since January 2018.

New treasures to rise from old trash

THE world is desperately seeking solutions to the landfill and greenhouse gas problem generated by two billion tonnes of waste produced annually.

As younger generations list the climate and environment as a top-two issue, it is likely the old methods of waste disposal will themselves be thrown on the rubbish heap.

That could have adverse consequences for the value of the businesses that own the holes in the ground which have traditionally been the receptacles for the things we discard.

In 2017, China banned the import of 24 types of solid waste, including plastics, paper and textiles, throwing the waste collection and disposal industries worldwide into disarray.

The hitherto willingness of China to import the waste of the Western world meant little investment had been made in genuine recycling solutions, while traditional waste-collection companies raked in millions of dollars charging councils to superficially sort, transport and dispose of our refuse.

Before China's decision, some waste-collecting and recycling companies were able to sell at least a portion of what they collected to Chinese processors.

Now they have to pay to dispose of it locally. For owners of landfill sites, it has been manna from heaven.

So, for some, an income stream has become a cost, and in some councils the cost has become so high they don't offer recycling programs at all.

For others — those that profit from material ending up in landfill — the shift has made them prosperous.

But all that may be about to change. Necessity is the mother of invention and around the world, start-ups are turning to chemical science,



THE SHORT CUT

ROGER MONTGOMERY

physics, AI, robotics and computer vision to realise solutions that could forever change the way the world digests waste.

In Israel, UBQ sorts, grinds, chops, shreds and then cleans rotting food such as chicken bones and banana peels as well as broken toys, plastic bags, dirty paper, and used bottles and containers, before heating it all into a thick garbage soup that subsequently becomes tiny pellets — fodder for conversion into everyday items such as trays and packing crates.

Metals and glass go to recyclers, there's no water used in the process and nothing goes to landfill.

Greek chemical engineer Antonis Mavropoulos, the president of the International Solid Waste Association and who visited UBQ's plant — and was previously a sceptic — concluded the solution could "create very serious disruption".

THE idea of all our waste being converted to new products with nothing ever heading to landfill again would seriously disrupt businesses whose revenue model is based on collecting our rubbish and disposing of it in the ground.

With US, Canadian, Israeli, Chinese, Indian and South Korean patents, UBQ has publicly sent its product to Plasgard, an Israeli manufacturer of pallets and crates, who in turn sent 2000 recycling bins made entirely of UBQ raw material, to Central Virginia Waste Management Authority in the US.

And UBQ isn't alone.

Denver-based AMP Robotics, which has the

backing of Private Equity goliath Sequoia Capital, has created robots that sort rubbish twice as fast as, and more accurately than, humans.

Already the robots are being mobilised at recycling facilities across the US, from California to New York.

Likewise, the deep-pocketed Alphabet, owner of Google, has developed a wheeled robot that sorts compost, recycling, and landfill waste at sites in California.

In the US, 36 million kilograms of food waste is produced each year. Three quarters of it ends up in landfill and produces as much greenhouse gas as nearly three and a half million vehicles.

Now, a growing number of municipalities, including Brooklyn in New York, Salt Lake City, Philadelphia and Connecticut — driven by legislation and the public to reduce carbon emissions and contain the growth of landfills — are converting food waste into biogas for electricity generation.

And then there is MIT's "Oscar", a computer vision system being piloted on corporate campuses that employs kinesthetics to differentiate recyclable paper, plastic and metal.

One suspects this might become redundant technology very quickly if UBQ's solution passes further testing.

Of course, if none of these technologies solves the problem, the world may be worse off and the waste companies that dominate today will continue to prosper.

But a solution must be found and generations of youth, distraught by the vision of floating plastic islands, will become the adults that ensure it is found.

ROGER MONTGOMERY IS CHIEF INVESTMENT OFFICER AT MONTGOMERY INVESTMENT MANAGEMENT

MARKET WRAP

THE Australian share market rose yesterday but fears over the outbreak of coronavirus kept trading subdued.

The benchmark ASX 200 index closed just 2.5 points, or 0.04 per cent, higher at 7090.5, while the broader All Ordinaries index gained 4.2 points, or 0.06 per cent, to close at 7203.2.

"We were up quite substantially today, but we've eased off those improvements," CommSec market analyst James Tao said.

The ASX 200 finished the week up 0.4 per cent for its third week of gains in a row and is up 6.1 per cent this month — staying on track for its best month since July 2016.

CSL broke through the \$310 mark for the first time, hitting an intraday high of \$313.59 before finishing 1.1 per cent higher at \$310.70.

Insurance Australia Group fell 5.4 per cent after saying it had received 28,000 claims from this week's hailstorms that hit Canberra, Melbourne and

Sydney. **Suncorp** was down 1.7 per cent to \$12.99 while **QBE Insurance** rose 0.4 per cent to \$13.77.

Village Roadshow climbed 4.4 per cent to \$4.02 after announcing it had received a second takeover approach.

The big banks were all higher, with **ANZ** up 0.6 per cent to \$25.90, **Westpac** and the **Commonwealth Bank** both up 0.5 per cent to \$25.21 and \$84.94, respectively, and **National Australia Bank** up 0.4 per cent to \$25.80.