

# sa Business Journal SURVEY

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## Export grants a relief

VALERINA CHANGARATHIL

THE Federal Government's move to boost the Export Market Development Grants scheme with an additional \$50 million has won the approval of South Australian exporters.

The Government has recognised the importance of small and medium exporters as contributors to the nation's economy with the extra funding commitment, Adelaide-based Export Solutions' client manager Wayne Brown said.

"This is not reckless spending, the additional \$50 million equates to one tenth of 1 per cent of the Budget expenditure. This is really good news, it means all those applicants whose grant entitlement was above the first tranche payment of \$40,000 will now receive the remaining payment in full".

The financial crisis has hit exporters hard.

Australian Institute of Export's state representative Stuart Mitchell, who also heads Export Solutions in Adelaide, had been lobbying for extra funding.

"We will not stand by and let exporters suffer - even though the funding shortfall was not a problem of our making," Trade Minister Simon Crean said yesterday.

## Net deal

INTERNATIONAL All Sports will sell its Canbet businesses to internet entertainment software group Yin Khing for \$1 million.

IAS has entered into an agreement to sell the sports betting website to the Virgin Islands-based investment company.

# QUARTERLY EARNING | Challenging times ahead CBA to slash dividend

ALISON BELL

COMMONWEALTH Bank is to slash its final dividend by 25 per cent and has declined to forecast future cash earnings, saying operating conditions remain challenging.

CBA yesterday posted unaudited cash earnings of \$1.15 billion for its March quarter that included a positive earnings contribution

from newly acquired subsidiary BankWest. CBA chief executive Ralph Norris said March quarter cash earnings were "slightly lower" when the earnings contribution from newly acquired subsidiary BankWest was excluded and a clean period-on-period comparison was made.

The March 2009 quarterly update was the first time CBA has released a quarterly cash

earnings figure. Revenue growth continued on wider margins and higher income from the bank's Markets division, the bank said.

Bad debts climbed to \$630 million for the quarter as unemployment took its toll in what chief executive Ralph Norris described as "a very unpredictable environment".

"In this environment capital preservation is a high pri-

ority," Mr Norris said, after the bank announced a 25 per cent cut to its final 2009 dividend to \$1.15, a reduction that was in line with its peers.

The cut will leave the full year 2009 dividend at \$2.28, 14 per cent lower than the previous fiscal year.

CBA's dividend payout ratio was likely to stay around 73 per cent based on cash profit, but dropped to 45 per

cent after stripping out dividend reinvestment.

Chief financial officer David Craig said CBA would look to raise capital via a hybrid issue when the time was right. Peter Wright, an associate with Burrell Stockbroking, said the bank's results and dividend cut had already been factored into the share price, which finished 14c firmer at \$36.74.

## Hearing device touches a new market



VALERINA CHANGARATHIL

HEARINGLIFE has launched the world's smallest hearing aid - many thousands of which will be assembled and distributed around the world from its Parkside facility.

The Touch is up to 50 per cent smaller than the second-smallest hearing aid currently available and allows for discretion without compromising quality, said the manufacturer.

It offers an attractive alternative for the 3.55 million Australians affected by hearing loss, HearingLife's global marketing manager Simon Hammond said.

"The demographic for someone with a hearing impairment has changed substantially over the years and we are seeing a large proportion of people with hearing loss who are of working age (15-64 years)," Mr Hammond said.

"Our target market (of pensioners and self-funded retirees) has been affected and

we have seen the impact of the crisis.

"The Touch, which is the first automatic hearing aid that adjusts itself to its surroundings, will help our company remain buoyant."

The Touch, made by U.S.-based Sonic Innovations and priced from \$2500 to \$4800, can be trialled by users before any purchase decisions, and is available at most hearing centres around Australia following its national launch at the new Melbourne Recital Centre last week.

HearingLife, formally known as Laubman and Pank, was bought by Sonic Innovations nine years ago.

HearingLife has since grown from seven clinics in SA to 156 locations in Australia and 45 in the U.S.

The two businesses operate separately, with Hearing Life headquartered in Adelaide with South Australia being its largest market for hearing aids.

AFFECTED: Simon Hammond... "we have seen the impact of the crisis".

Picture: MARK BRAKE



federal budget 09.

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## Beef board in stand-off

SOME of the board members of beef producer Australian Agricultural Company could be rolled by the company's biggest shareholder, despite the offer of a peace deal last week.

Dubai-based food group IFFCO Poultry, which owns 19.9 per cent of AACo, plans to not support the re-election of three members of the five-person board at the company's AGM in Brisbane on May 27.

IFFCO will instead endorse two recent appointees to the AACo board, and two nominees the current board opposes.

The move by IFFCO comes after AACo board members on May 8 said they would endorse the election of an IFFCO nominee, Arunas Paliulis, in a bid to establish a constructive relationship with IFFCO and extend the board to six members.

## BigAir uni network deal

WIRELESS broadband infrastructure company BigAir has signed a three-year university contract to offer services to a students accommodation facility in Adelaide.

The owner and operator of Australia's largest metropolitan fixed WiMAX (Worldwide Interoperability for Microwave Access) broadband network will begin construction this month.

The company hopes to set up

an engineering office in the short term, with sales and marketing jobs to be created over the medium term, BigAir Group chief executive Jason Ashton said, adding: "As the fifth largest city in Australia, we consider Adelaide a very important business market which suits our business model."

The company declined to reveal the name of the university citing confidentiality reasons.