

# No doubts now about who runs Seven



**doing business**  
Clive Mathieson

ANY doubts about what the Seven Network really think about its small shareholders – those 10,000 hardy souls whose names are not Kerry Stokes – were cleared up last week by deputy chairman Peter Ritchie.

I'm paraphrasing, but Ritchie effectively told an interviewer that anyone who'd held shares in the company since Stokes first bought into the business in 1995 had been pretty much hanging off the billionaire's coattails.

"From then on, you know that Kerry Stokes was the driving force behind the organisation," Ritchie

told *The Australian Financial Review*. "If you didn't like that you had plenty of opportunities to get out." Harsh, perhaps. Possibly unwise given Seven is trying to convince these same small shareholders to back Stokes' latest plan – his most ambitious yet – for their company. But undoubtedly true.

Since Stokes first appeared on the Seven register 15 years ago, snaring a 19 per cent stake and forcing his way onto the board, nobody could be in any doubt that Seven was his company.

Today, Stokes owns almost

49 per cent of Seven. He's bought a few more shares but has mainly crept up the register by declining to participate in a string of share buybacks that have cut the amount of stock on issue. In any event, the size of the stake hasn't really mattered. As Ritchie suggests, this is Kerry's company and if you don't like the way he runs it, put your money somewhere else.

There have been plenty of occasions in the past decade and a half when it has felt as if Seven was being run as a private arm of the Stokes empire. The company has been extremely parsimonious with the information it has distributed to shareholders and the structure since the sale of half

of the Seven Network to private equity outfit KKR has made it difficult to get a true picture of the business. You really have to trust Stokes to put your money in Seven.

Fortunately for shareholders, the Stokes ride has been rewarding, with Seven shares easily outpacing the wider market. Still, Ritchie should tread warily lest he offend the same shareholders Seven is trying to woo as it seeks support for the controversial plan to merge the listed business with Stokes' private WesTrac Caterpillar truck franchise. The plan is controversial because it creates an odd media-mining conglomerate and because it effectively uses

\$1 billion of Seven's cash to extinguish \$1 billion of WesTrac debt.

Because this is a "related-party transaction" – it's hard to imagine a transaction that better fits that description – Stokes can't vote his shares at the meeting to debate the deal next month. In all likelihood, the deal will be waved through by the same shareholders who have cheered on every other chapter of the Stokes adventure.

That means Stokes will end up with 68 per cent of Seven shares. And that means Seven really will be his company.

■ Clive Mathieson is deputy editor (business) at *The Australian*. Go to [www.theaustralian.com.au](http://www.theaustralian.com.au).

## Staff and students learn about worm farms and composting

# Manly college stays green

**Beverly Hudec**

WORM farms and composting are part of the International College of Management's life. Sustainability is implanted into student culture from day one. With 53 nationalities studying at the Manly college, sustainability is both an unfamiliar word and practice for many.

"Many of our international students are unfamiliar with the concept," ICMS maintenance manager Jason Nicol said. "We get everyone involved from day one. When students go home and become managers themselves, getting rid of waste is going to be their biggest cost."

In his 10 years, Mr Nicol has seen sustainable business practices become commonplace for students, housekeeping and grounds staff. Students and staff are inducted in environmental and recycling procedures including worm farming and onsite composting.

Green practices aren't reserved for students – housekeeping and ground staff are trained in water-saving techniques. On-campus

practices include timers installed in showers, drip irrigation in gardens and recycling water from stormwater to irrigate lawns.

Staying green is an ongoing pursuit, Mr Nicol said. ICMS is currently setting up a student Green Team to investigate ways to keep the campus clean and environmentally sustainable. The team will then implement new ways of improving recycling and sustainable practices on campus.

In November 2008, ICMS bagged two Manly Council sustainable business awards. Armed with its swag of impressive green credentials, it took out the water use management category for strategies including student and staff water education, low-flow showerheads and dual-flush toilets in bathrooms, rain-water collection and pollution prevention techniques.

It also picked up the excellence in sustainable business management for ongoing commitment to sustainability and its triple bottom line of diverse social, economic and environmentally responsible practices including organic waste recycling to establishing vegetation



Jason Nicol with the college's worm farm.

Picture: ANNIKA ENDERBORG - PP378683

corridors for wildlife, supporting bandicoot surveys, membership of the Manly Chamber of Commerce and sponsorship of organisations such as Bear Cottage and the North Head Sanctuary Foundation.

Although no awards were held in 2009, ICMS is taking up the challenge for the 2010 Manly Sustainable Business Awards.

They acknowledge business achievement across the triple bottom line of social, economic and environmentally responsible practices, Manly mayor Jean Hay said.

"The aim of the Manly Sustainable Business Awards program is to promote corporate responsibility within the local business sector and provide community recognition for outstanding sustainable business practices," she said.

There are six award categories: water use management; waste management, energy efficiency, contribution to local community, excellence in sustainable business management and fair trade.

Category winners will receive a certificate and a \$1000 cheque to be

invested in sustainable business management initiatives.

■ To enter, businesses must complete an entry form and questionnaire and return it to the council by March 24. Entry forms are available online at the council website [www.manly.nsw.gov.au/Sustainable-Business-Awards.html](http://www.manly.nsw.gov.au/Sustainable-Business-Awards.html) or call 9976 1654.

Winners will be announced at a special awards ceremony hosted by Manly Council in Council Chambers on Tuesday, 30 March.

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