

Number is up for auditor

KPMG out at Lendlease

David Ross

Lendlease has given marching orders to KPMG, as the corporate regulator revealed a formal probe into the professional services giant's alleged failures.

A Lendlease spokeswoman said it had sought assurances from KPMG "that no employees currently on our audit have been, or are, the subject of any investigations".

KPMG partner Paul Rogers has been removed from the account, after both sides agreed he would step off the audit.

On Friday, the Australian Securities & Investments Commission confirmed it was now formally investigating three KPMG partners as part of a broad probe into the alleged audit breaches.

ASIC has named two of the three, including Mr Rogers and KPMG's former chief operating officer Eileen Hoggett.

Lendlease has said it was seriously concerned about the scandal, which allegedly saw internal documents from the property giant shown to its rivals by KPMG.

These documents were allegedly leaked by KPMG audit partners to others in the firm.

Mr Rogers, along with KPMG partner Nigel Virgo, signed Lendlease's 2025 full-year accounts. In March Lendlease's half-year accounts were signed by Mr Virgo.

KPMG previously disciplined Mr Rogers for displaying Lendlease board papers as part of a pitch to Westpac for the bank's audit contracts.

However, KPMG had claimed these documents were "low sensitivity".

KPMG's former chief operating officer Ms Hoggett and Mr Rogers were both named in whistleblower complaints made to Labor Senator Deb O'Neill.

Lendlease this week said it would put its 68-year audit contract with KPMG out to tender after it concludes the 2026 financial year.

On Thursday fellow property player Dexs ordered Ms Hoggett off its accounts, confirming the firm would "have a new signing partner for its FY26 accounts".

At Senate estimates on Friday, ASIC confirmed it was now conducting a formal investigation into three KPMG audit partners.

The corporate regulator told Senate estimates it had kicked off a formal investigation, after opening a preliminary probe into KPMG on April 21.

ASIC chair Sarah Court said it had issued KPMG with a number of document production orders and had been in correspondence with KPMG chair Martin Sheppard.

Ms Court said there had been a "flurry of activity" in the wake of the resignation of KPMG CEO Andrew Yates and the head of audit Julian McPherson.

But the ASIC chair said she had no clarity on why Mr Yates resigned.

She said ASIC first met with KPMG over the audit scandal on 14 April.

"I have to say this is an ever moving feast as more information comes our way," Ms Court said. "We have deep concerns on what has been revealed in the press."



Lex Greensill

Australian high-flyer's ban in UK

The founder of Greensill Capital, the collapsed lending firm, is to be banned as a company director in the UK for nine years after agreeing to be disqualified following a four-year investigation by the Insolvency Service.

The undertaking with Lex Greensill, 49, was struck on the eve of a six-week trial that was due to start on Monday. Under the legally binding agreement, directors do not dispute certain facts in order to end court action.

The Australian businessman, whose lobbying efforts were controversially supported by David Cameron after his term as prime minister, was a director of three firms in the Greensill Group, which collapsed in 2021 with combined liabilities of more than £1.6bn.

Greensill failed when insurers withdrew cover. It was supposed to be in the supply chain finance business, asking investors to back low-risk, short-term loans to corporations that would in turn advance money more quickly to suppliers. Some loans, however, comprised high-risk, long-term debt.

Investigations by the Insolvency Service, an agency of the Department for Business and Trade, began in May 2022 and officials announced disqualification proceedings against Greensill in March 2024. He unsuccessfully applied to pause part of the claim in May last year and unsuccessfully applied to strike out the entire claim in March this year. He was refused permission to appeal against that decision.

The Insolvency Service said a Credit Suisse supply chain finance fund purchased a series of notes backed by receivables, which are similar to payment obligations, relating to Katerra, an American construction group. The investigation found that the businessman caused three Greensill companies to enter transactions that removed legal protections underpinning the Credit Suisse fund's investment in late 2020.

The businessman also "caused or allowed" Greensill Capital (UK) Limited, the main trading arm of Greensill, to use \$US440m received in November 2020 "for purposes other than redeeming the notes owed to the Credit Suisse fund", the Insolvency Service said. "The notes all defaulted when they fell due."

A spokesman for Lex Greensill said: "After four years of investigation, this matter has concluded with no finding that Mr Greensill acted dishonestly or in bad faith".

Sheikh rattle and roll as Gulf cash heads Down Under

Tim Boreham
STOCKHEAD



Ceasefire or not, huge licks of Gulf state money are headed to Australia as sovereign funds and family offices look for a safe place to park petrodollars.

The pending flood of cash even could be enough to move the share market.

That's the view of Iridium Global Ventures founder Akshaya Naronikar, who advises wealthy Middle Eastern investors.

By "wealthy", we mean

sheikhs who think a gold lavatory is akin to a Caroma.

Naronikar says "the choices are the US, Europe, or Australia—but there are problems with the first two".

"They don't want to be seen as too US-friendly," she says, adding that Europe is "well-meh, while India interests them as a growth side bet."

The investors look for simple "headline themes" and are drawn to resources, biotech and infrastructure.

With life sciences, "everyone understands the quality of research out of Australia".

Stocks on their radar include radiology imaging giant ProMedica (ASX:PME),

uranium producers Paladin Energy (ASX:PDN) and Boss Energy (ASX:BOE) and rare earths producer Arafura Rare Earths (ASX:ARU).

They are also casting the ruler over (lithium) leaders Pilbara Minerals (ASX:PLS) and Liontown Resources (ASX:LTR).

Investors are also interested in penny-dreadful stocks, to use as shell companies.

Expect some deals in the resources sector.

Naronikar says the federal government's proposed capital gains tax reforms "have not gone unnoticed" but, in most cases, these investors should be able to organise themselves

to avoid problems. "They realise it is a high-tax environment and need to get advice on the structure first," she says.

Naronikar says an overall 25 per cent tax rate is "OK", while 40 per cent to 45 per cent might cause concern.

"If it crosses 50 per cent, that's a no-go zone," she says. "That's the end of it."

While they crave political stability, these investors won't be deterred by ponderous ethical and governance rules.

They seem happy to invest in data centres, which are on the nose because of their voracious electricity and water requirements.

So let's add the pure play NextDC (ASX:NXT) to the investment shopping list.

"They don't care about the optics of not being the popular guys," Naronikar says.

"Respect and culture are very different (concepts) in the Middle East."

When the \$36bn takeover tilt at Santos (ASX:STO) by an Abu Dhabi-led consortium last year failed, it created headlines that Middle Eastern investors prefer not to see.

"Their attitude is: 'if I'm not welcome, I'm not going to come'."

Naronikar says while these investors "have a very different perspective on the Western

world", they're not that different. "The younger generation are Harvard-trained or have gone to business schools in the US," she says. "They understand and respect what you can do for them ... but you have to earn your seat at the table."

Naronikar says Australia could accelerate its development by using the capital in the "right places".

These include affordable housing, build-to-rent and aged-care projects.

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