

Triple spend on clean energy: Gates

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WASHINGTON

BILLIONAIRE Bill Gates is urging the US Government to triple spending on what he says everyone, rich and poor, will need in the future: clean, cheap energy.

Mr Gates and other business leaders met President Barack Obama and other politicians yesterday, to pitch their plan to increase annual federal spending on clean energy innovation to \$US16 billion, from \$US5 billion.

But tight budgets make it a tough sell.

A report released yesterday by the American Energy Innovation Council called for an increase in spending and the creation of an independent National Energy Strategy Board to co-ordinate federal energy research.

Despite limited funds, Mr Gates said the issue was imperative, especially for the poor.

"They're going to be the ones, when there are climate-change effects, who suffer by far the most," he said. "And they need cheap energy."

The report outlines several funding options, such as reducing fossil-fuel subsidies, increasing the gas tax and setting a price on carbon-dioxide emissions.

The group did not specifically endorse any of them.

The business leaders also said they were not supporting any specific piece of legislation.

Last month, senators John Kerry, a Democrat, and Joe Lieberman, an independent, unveiled a long-awaited Bill aimed at curtailing pollution blamed for global warming, as well as reducing oil imports and creating millions of energy-related jobs.

The Bill would for the first time set a price on carbon-dioxide emissions produced by coal-fired power plants and other large polluters.

Success is down to the Bones



IN THE FAMILY: Some of the present custodians of the company, Chris, Howard and Andrew Bone.

Picture: GREG HIGGS

COMPANY: Bone Timber. **Owners:** The Bone family. **Business:** Timber wholesaling and retailing. **Established:** 1919.

Highlight: The iconic fifth-generation business won the 2010 Family Business Association of SA award for fourth generation or older companies.

BONE Timber managing director Andrew Bone regards running a long-term family business as a sacred trust to customers, family members and employees.

Winner of the 2010 Family Business Association of SA award for fourth or fifth-generation companies, Mr Bone said he is very mindful of his responsibility to each group.

Caring for 44 employees in a family business is a responsibility the family takes very seriously.

"We have second and

SILENT
ACHIEVER

NIGEL
AUSTIN



third-generation clients who rely on us providing high-quality timbers at the right price," Mr Bone said. "With a family business, if you are not really committed, it can bury you."

A Family Affair:

Geo. J. Bone and Sons was established in 1919 by George J. Bone and his son Stanley, on nearly 1ha of land in Edwardstown.

Stan moved to Australia at the age of 21 in 1910 and then convinced his father, mother and the rest of the family to migrate in 1912.

Displaying his vision, he bought the land it currently trades from on South Road, Edwardstown for £500 in 1932 during the Great Depression.

Stan Bone was followed by the third generation, Lloyd Bone, who ran the company from 1946 until he retired in 1980.

The business today is owned by 25 family members including Mr Bone, his father Howard, the company chairman, and cousin Chris Bone, a director.

SA family business of the year:

Mr Bone said being named best fourth-generation or older company in the 2010 Family Business Association of SA awards in May was a rewarding recognition.

The company's longevity has placed it among the 25 longest-running family businesses in the state.

"The key to our long-term success is remaining relevant to the needs of our customers," he said.

"We have to continually assess the business as the industry changes, because if we'd stayed doing what

we were doing in 1919 we wouldn't be in business.

"There's a balance between keeping our culture and tradition and the needs of modern business."

Keys to success:

The traditional timber merchant has been providing high-quality timber products for carpenters, builders and DIY enthusiasts for 91 years.

Mr Bone said the company's knowledge of timber really sets it apart from other operators.

"We have a very strong position with people building their own houses and better-quality builders," Mr Bone said.

"We focus on quality and we wouldn't buy or sell anything we wouldn't put in our own homes."

Mr Bone said the company trades with very similar goals in mind as it did in its early years, providing a quality product to customers at a fair price.

Uncertain times are not your cue to panic



THE
BAREFOOT
INVESTOR

RETURNED home from the US last month with 3422 unread emails. A month later I have whittled that down to about 80.

Many of the emails that hit my inbox are from Barefooters asking me for financial advice. I flagged some common questions to share. Here is an actual question (edited only for length and name changed) and my answer:

I am 54, divorced and work full time in administration. The Global Financial Crisis showed me that I don't have enough money in superannuation. I've been reading about all the financial troubles in Europe and the rest of the world, so I want your opinion on moving my superannuation into cash, because I just can't afford to lose any more money. Thanks, Jenny.

The debt binge we've been on for the past 20 years - which culminated in the Global Financial Crisis - will take years to work its way through the markets, and will most probably result in lower returns and more volatile (up and down) market mood swings.

In a world where things are increasingly uncertain, cashing out your investments can seem like a safe thing to do. But, if you wait for the world to be certain, you're likely to be waiting a very long time.

Historically, investing in the share market has provided the strongest returns over a 20-year timeframe. Yet because prices are quoted each day, large swings can, and do, happen.

While cash seems like a safe option, there are a few hidden factors that make it a very risky place to invest your long-term savings.

Firstly, all the money that has been printed by governments to reduce the impact of the GFC may lead to what Warren Buffett calls "an onslaught of inflation". Holding cash when prices are inflating means your money will be worth less over time.

Oh, and by the way, at 54 you've got another 30 years (plus) left to invest. That's a lifetime. The biggest investment risk you face is outliving your savings.

■ The Barefoot Investor is Scott Pape, a financial adviser and author of *The Barefoot Investor: Five steps to financial freedom in your 20s and 30s*.

Look Be the Bank



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THE NATION

CLIVE PEETERS Jobs axe swings

RECEIVERS for Clive Peeters say 75 jobs will be lost from the closure of six underperforming stores, as they assess a strong line-up of potential purchasers for the debt-laden retailer.

Receiver Phil Carter of PPB says six stores in Clive Peeters' national network of 44 stores will close after a review of store performances found them to be unsustainable.

Stores in Townsville and Ipswich in Queensland will go, as will stores in Mildura and Warrnambool, Victoria, and the WA towns of Bunbury and Canning Vale.

AXA ASIA PACIFIC AMP must wait

NEW Zealand's competition regulator announced yesterday that it will take two weeks longer than anticipated to decide whether AMP's proposed acquisition of AXA Asia Pacific Holdings' New Zealand assets clears its hurdles.

A decision by New Zealand's Commerce Commission has been postponed for two weeks until June 25, according to a posting on the regulator's website.

AMP's proposal is part of a wider \$12.85 billion bid for AXA APH, that was later trumped by National Australia Bank's \$13.29 billion offer.



PETSEC ENERGY Well abandoned

SHARES in Petsec Energy fell yesterday, after it said it had plugged and abandoned a gas well in the Gulf of Mexico not capable of producing hydrocarbons at commercial rates.

Petsec also said its drilling program in the Gulf was delayed as a result of changes to the permitting of wells, by both US federal and Louisiana state authorities, due to the BP oil spill.

"The company considers its 2010 program of three to five wells to target 20-50 billion cubic feet equivalent net to Petsec Energy will recommence in the fourth quarter of 2010 and likely extend into 2011," Petsec said.