

Secret Uber rival valued at \$2b

Yolanda Redrup

Zoox, the secretive self-driving car start-up co-founded by Australian expat entrepreneur Tim Kentley-Klay, has been valued at US\$1.55 billion (\$2.01 billion) after it closed a \$US50 million funding round from investors keen to see it take on the likes of Uber.

The latest raise from the Silicon Valley firm was led by newly launched Hong Kong hedge fund Composite Capital, and follows a \$US200 million raise in June.

The company has been in so-called "stealth mode" to date, where it keeps public information about its operations to a minimum ahead of a big launch. However, Zoox has become one of Silicon Valley's most talked about early stage firms.

Earlier this year *The Australian Financial Review* revealed that local

venture capital firm Blackbird Ventures was one of the company's early backers, and revealed that Zoox insiders consider it to be a robotics company, rather than an automotive tech business.

Mr Kentley-Klay has given no interviews about the company or its plans and Zoox's website remains black. However conference speeches over the past two years have provided clues to Zoox's operations.

In 2013 the entrepreneur told ReadWrite at the Connected Car Expo in Los Angeles that he was working towards a vehicle that was fully autonomous and didn't need a steering wheel, nor passengers to drive.

"This is not a car. This is what comes after a car, a new category of mobility for how we're going to get around our big urban centres," he said at the time. "[If the vehicle] is driving itself at



Zoox co-founder Tim Kentley-Klay.

speed on a freeway, you don't really want to see what's in front of you, because it's going to stress you out, unless you're a thrill-seeker. It's better not to see it and focus on the enjoyment

of being in the vehicle, or looking outside. It's like flying business class."

With this vision in mind, Mr Kentley-Klay said that he would take seven years to bring to life vehicles wherein passengers sit facing each other and the vehicles are owned by the manufacturer, not the individual, and act like taxis. Assuming Mr Kentley-Klay, whose co-founder Jesse Levinson is a part of Stanford University's self-driving car group, is on track, this would mean the vehicles would be ready to go in 2020.

The latest rounds of funding brings the company's total to \$US240 million. It is also the only start-up with a licence to operate autonomous vehicles on the road, putting it alongside companies including Google's parent Alphabet, Ford and Tesla. Earlier this year *The Wall Street Journal* reported that the business had 140 employees.

Disused mine may become 'giant battery'

Mark Ludlow

Listed company Genex Power has been buoyed by a feasibility study that found its plans to convert a disused underground gold mine west of Townsville into a hydro storage plant or a "giant battery" was commercially viable, with plans to open the project in 2018.

The study lodged with the Australian Stock Exchange on Tuesday showed a \$300 million 250-megawatt hydro plant with 1500 megawatt hours storage capacity could work on the site, with the company saying there had been strong interest from investors in what would become the third-largest hydro-electric storage project in Australia.

The Australian Renewable Energy Agency - which has allocated \$4 million to the Kidston pumped storage project 400 kilometres west of Townsville - is hoping it will pave the way for former underground mines being used to help bring more renewable energy online in northern Australia.

ARENA chief executive Ivor Frischnecht said Queensland was quickly becoming a renewables powerhouse and was set to add 300 megawatts of large-scale solar next year.

The feasibility study by specialist power and water consulting firm Entura and project partner Hydro-China found the Kidston pumped storage project at the abandoned gold mine could provide six hours of continuous generation using two 125-megawatt fixed-speed turbines. The turbines would pump water into an upper-storage reservoir during the day or overnight when prices are low and then release it into a lower reservoir to generate power during high demand.

This approach - the same used for part of the Snowy Hydro scheme - can provide the same kind of grid support services as a gas or coal-fired power plant.

Unlike the intermittent capacity of wind or solar, the Kidston pumped storage project was expected to be able to ramp up to full generation capacity in about 30 seconds. It is expected the Kidston project would be able to connect to the existing Powerlink transmission lines in North Queensland.

Genex Power executive director Simon Kidston said the pump storage hydro technology was more than 100 years old, but they have modernised it with their neighbouring solar plant to power the turbines.

"This is the right asset at the right time and we know it works. We just need to put in place the financial contracts to make it bankable," Mr Kidston told *The Australian Financial Review*.

Genex Power, which listed on the ASX in July last year, purchased the old gold mine from \$17 billion Canadian mining giant Barrick in 2014. The mine closed down in 2001.

Genex said the strong need for large-scale storage as more renewables made it onto the grid had made the project more commercially attractive to investors.

Mike Smith's Asian strategy hits home

Michael Bleby

The Toorak mansion of former ANZ boss Mike Smith is back on the market after a Chinese buyer failed to complete the purchase for a reported \$15 million.

Mr Smith declined to comment on the price of the house that went on the market in February, but confirmed he was looking for a new buyer.

"The sale fell through, which was fortuitous because the renovations we were doing on our [newly purchased] apartment have taken far longer than expected," Mr Smith told *The Australian Financial Review*. "The house is back on the market."

The five-bedroom, six-bathroom house at 2 Hopetoun Road is being offered with a similar price tag, the *Financial Review* understands.

Mr Smith's house is one of a number of big-ticket sales to Chinese nationals in Melbourne's most expensive suburb that have fallen through recently.

He put the failure of his sale down to "poor legal advice", saying that it never progressed to the point at which his buyer was due to transfer money.

"It only ever got to a verbal stage, not to a written stage that I was prepared to accept," Mr Smith said.

The stillborn deal is one of several top-end transactions that are failing.

Others suggest that measures the Chinese government put in place this year to slow the amount of money going overseas may be hindering Australian property purchases.

In June, a five-bedroom house at 23 Montalto Avenue, Toorak, exchanged with a Chinese buyer for \$8 million, but the contract was rescinded after the buyer could not get the money into Australia, the *Financial Review* has confirmed.

A new joint campaign, by original

selling agent RT Edgar and newly appointed agent Abercromby's, to sell the 1927 dwelling began last month.

The settlement on a two-storey, four-bedroom home with tennis court on 1591 square metres at 4 Whernside Avenue, sold for \$12.2 million, has also been delayed because the buyer was having trouble getting money out of China. This week, agency RT Edgar was seeking offers of \$12.5 million.

RT Edgar director Jeremy Fox said settlements were often delayed, but the owners of the Whernside mansion were sounding out the market "in case the money wasn't there".

They seem to think that Australian law is as flexible as it may be in China.

Mike Smith, vendor

Also in June, Peter Johnston, head of Toorak-based builder Royale Construction, sold his French Provincial-style mansion at 15 Chastleton Avenue - one he had built - to a buyer from China for a reported \$14.75 million.

That sale fell through when the buyer failed to complete the deal without having paid a deposit. Mr Johnston declined to comment on that transaction, which he said was the subject of litigation, but said the property had since been sold to a foreign buyer.

Although settlement failure was a risk in the apartment market, it was unlikely to become a problem at the top end of the market, Mr Johnston said.

"I don't think it will become an issue," he said. "The buyers are quite astute."

Mr Smith did not go into details



Sales of properties in Toorak, Melbourne, at Whernside Avenue, above, and Hopetoun Road, left (Mike Smith's home), have stalled.

about why his Hopetoun Road sale failed, but said it was crucial for buyers to understand Australian laws.

"What is important to understand here is that Australian law is Australian law," he said. "It isn't Chinese law. A lot of Chinese nationals are used to dealing with China on their own terms.

And they therefore seem to think that Australian law is as flexible as it may be in China. Well, it is not - and they have to understand that."

He was hopeful the house he bought from businessman John McMurrick for \$9.65 million in 2007 would have a buyer soon.