

Australia

Chamber of commerce:

Australian Chamber of Commerce and Industry
Commerce House, Level 3, 24 Brisbane Avenue
Canberra ACT 2600
Australia

Tel: +61 2 6273 2311

Fax: +61 2 6273 3286

Email: acci@acci.asn.au

Web: www.acci.asn.au

Professional body:

Law Council of Australia
GPO Box 1989
Canberra ACT 2601
Australia

Tel: +61 2 6246 3788

Fax: +61 2 6248 0639

Email: mail@lawcouncil.asn.au

Introduction of new laws to control money laundering and the financing of terrorism

Philip Trinca
Blake Dawson Waldron
Sydney

Australia already has laws that make it an offence to deal with the proceeds of crime or to finance terrorism. There are also existing laws that apply to financial institutions (and some others) in relation to the identification of customers, the reporting of transactions for amounts above a statutory threshold and the reporting of suspicious transactions. Currently, however, the customer identification laws only apply to *cash dealers* that accept deposits of cash, allow withdrawals of cash or pay on cheques or payment orders drawn on them.

The Federal government is now close to finalizing a new set of anti-money laundering (AML) and counter-terrorism financing (CTF) laws. By these laws, the Federal government will be seeking to implement the Financial Action Task Force (FATF) recommendations that are being variously implemented internationally. While the new laws are yet to be finalized, their planned scope and effect is now largely settled. It is expected that the laws will be passed later this year and will allow for an implementation period of one year. Industry is seeking a longer implementation period.

Scope of the proposed laws

Importantly, the new laws will affect a much wider group of financiers, as the application of the new laws will be triggered whenever a *designated service* is or may be provided. There will now be some 63 such designated services, plus 12 relating to gambling. For example, the new laws will apply where any person that: (i) makes a loan in the course of carrying on a business; (ii) factors receivables; (iii) offers a finance lease; (iv) guarantees a loan; (v) exchanges currency; (vi) participates in overseas funds transfers; or (vii) issues or sells a security or derivative to a person. Designated services are broadly defined, so most activities of financial institutions will become regulated in respect of most of their products.

The result is that once the new laws are implemented, a large range of designated service providers (or reporting entities) will be required to conduct customer identification and verification in circumstances where this is not currently required. In addition, there will be ongoing customer due diligence obligations, assisted by an obligation to create and maintain an AML/CTF programme designed to manage AML/CTF risk.

Many international organizations will already have implemented

steps to meet the FATF recommendations. Nevertheless, the laws now proposed in Australia will differ in a number of significant respects from those implemented elsewhere.

Risk-based approach

It is the case that the AML/CTF laws now proposed are far less prescriptive than the laws proposed by the initial exposure drafts issued for comment in December 2005. Those initial exposure drafts were subject to extensive criticism and subsequent industry consultation. The result is that the second and final exposure drafts of the Anti-Money Laundering and Counter-Terrorism Financing Bill 2006 and the consolidated AML/CTF Rules (the Rules) allows for more of a risk based approach than was previously proposed. One consequence of this change in approach, however, is that the onus will now be placed more squarely on reporting entities to identify and manage their individual exposures to risk.

Unfortunately, one apparent consequence of the recent consultation process is that the proposed laws do not now clearly identify the risk that reporting entities will need to manage. The current drafting leaves it unclear as to whether it is the general inherent risk of the provision of a particular type of designated service that is to be managed, or whether the relevant risk is also to extend to individual customers or transactions. In general terms, reporting entities will be required to manage "ML/TF" risk, which is defined as being "the risk that a reporting entity may reasonably face that the provision ... of designated services might (whether inadvertently or otherwise) involve or facilitate money laundering or financing of terrorism".

In identifying this ML/TF risk, a reporting entity will be required to consider the risk posed by:

- its customer types, including any politically exposed persons (PEPs);
- the types of designated services it provides;
- the method by which it delivers designated services;
- the foreign jurisdictions with which it deals; and
- the provision of designated services overseas, through any permanent establishments.

Existing customers to escape the net

Significantly, it is now proposed that there be no general reidentification of existing customers to whom a designated service was provided by the reporting entity before commencement of the proposed laws. This outcome seems to leave a large potential risk exposure with respect to the future activities of existing customers.

Reidentification of an existing customer will, however, be required where a suspicious matter reporting obligation arises in

respect of the customer (the exposure draft outlines the circumstances under which an obligation to report a suspicious matter arises).

Identification of new customers (individuals)

The most significant change for many reporting entities will be the need to implement or expand their customer identification procedures. At a minimum, it is now proposed that reporting entities will need to collect the following know your customer (or KYC) information from an individual before providing a designated service:

- their full name;
- their date of birth; and
- their residential address.

(Differing minimum KYC information is to be prescribed for seven different categories of person.)

Timing for collection of new customer information

As a general rule, the applicable customer identification procedures must be carried out before the commencement of the provision of a designated service to a customer. Provided the minimum KYC information is collected before the provision of a designated service, it does not appear to matter that it may have been collected some time ago, or in relation to a different designated service. The requirement to consider collection of additional information is no more immediate as to timing.

When will additional KYC information be collected?

Apart from collecting the minimum KYC information, the reporting entity will also be required to have put in place appropriate risk-based systems and controls to determine whether additional KYC information will be collected "at the relevant time". The relevant time is when the KYC information is first collected, and so it is doubtful that the collection of the minimum customer information will trigger a need to collect additional customer information. In determining whether any additional information will be collected, a reporting entity will be required to have regard to the "ML/TF risk relevant to the provision of the designated service". Again, however, there is a lack of clarity as to whether the consideration of any need to collect additional customer information is only to be governed by the risk inherent in the provision of the designated service generally, or whether it is also to include the risk of the provision of the designated service to the individual customer at the relevant time.

Verification of customer information

As part of its customer identification programme for an individual, a reporting entity must verify, at least, the customer's full name and either their date of birth or residential address. It is left to the reporting entity to determine the type of reliable and independent documentation and/or independent electronic data that should be used for verification. This decision is to be based on the level of ML/TF risk involved. That risk will also govern the issue of whether any additional customer information should be verified.

The Rules now also propose a safe harbour procedure that will allow a reporting entity to discharge its verification obligations with certainty where the relationship with the customer is of medium or lower ML/TF risk.

Suspect matter reporting

One significant change that is now proposed relates to when a suspect matter report will be required. The reporting obligation will only arise where the reporting entity "suspects on reasonable grounds";

rather than where it has "reasonable grounds to suspect" (it is to be noted that the latter test is the one that currently applies to cash dealers under the existing Financial Transaction Reports Act 1988, which is to be phased out following implementation of the new laws).

Identifying, mitigating and management of ML/TF risk

There is to be no positive obligation to materially mitigate ML/TF risk. Instead, there is now a proposed requirement that a reporting entity monitor the provision of designated services in Australia, "with a view to" identifying, mitigating and managing the risk (that the reporting entity may reasonably face) that the provision of a designated service might involve ML/TF risk. This is a softer approach to that proposed by the initial exposure drafts.

AML/CTF programmes

The requirement for a reporting entity to have an AML/CTF programme will be a key part of the proposed laws.

The primary purpose of such a programme will be to identify, manage, and mitigate the risk (that the reporting entity may reasonably face) that the provision of a designated service might involve ML/TF Risk. It appears, however, that this stated purpose is to be read subject to the limitations on the extent of the positive obligation of a reporting entity to mitigate ML/TF risk. It also appears that the risk to be managed is future risk, rather than existing risk. There is a lack of clarity about this issue.

Joint AML/CTF programmes

It is now proposed that related companies will be able to operate a joint AML/CTF programme, so there can be one programme for a corporate group. However, this will not mean that customer or personal information can be shared with and used by a related company in circumstances where this is not currently permitted, or proposed to be permitted. Mitigation of potential privacy issues relating to the use by related companies of customer identification or verification information collected by another related company is something that might still be considered before the new laws are implemented.

Authorizations of another person to conduct applicable identification procedures

The proposed laws will allow a reporting entity to authorize another reporting entity, or an external agent, to carry out the applicable customer identification procedures on its behalf. The authorized person must act in accordance with the conditions in the Rules. The authorization must be in writing and may be general (that is, not customer specific) in nature.

Bank lending and regulatory

Recommended firms

Tier 1

Allens Arthur Robinson
Clayton Utz
Freehills
Mallesons Stephen Jaques

Tier 2

Blake Dawson Waldron
Minter Ellison

Tier 3

Arnold Bloch Leibler
Baker & McKenzie
Corrs Chambers Westgarth
Henry Davis York

Allens Arthur Robinson

Allens Arthur Robinson is widely considered to be a major force in the banking and finance area, continuing to impress the market in terms of the volume and quality of deals handled. The team is recognized for its deep bench of talent, so it is difficult to single out the standout lawyers. Nevertheless, Phillip Cornwell and Diccon Loxton are partners that are mentioned most frequently, and Alan Maxton is also highly recommended for structured finance deals. Clients such as Westpac, ANZ, ABN Amro, Citibank, Deutsche Bank, Macquarie Bank, Rabobank and SG Australia serve to reinforce the firm's excellent lender-focused banking practice.

On the borrower side, meanwhile, the firm acted for Macquarie Goodman in relation to an A\$1.4 billion (\$1 billion) multicurrency revolving facility and worked on an A\$336 million syndicated financing associated with Charter Hall's IPO of stapled securities. The team is also strong on the regulatory side, providing the full range of retail banking and financial services advice to financial service providers. Catherine Parr is the firm's most prominent figure in this area.

Leading lawyers

Phillip Cornwell
Diccon Loxton
Alan Maxton

Key contact partners

Phillip Cornwell
Diccon Loxton
Catherine Parr

Clayton Utz

Both the transactional and regulatory sides of Clayton Utz's banking and financial services practice enjoyed another excellent year. Although finance partner Janet Firkin left the firm in March 2006, overall numbers in the practice increased as the result of poaching Jason Huinink from Blake Dawson Waldron and Gary Best from Mallesons Stephen Jaques. There were also several lateral hires at the associate level, several of whom have international expertise. Team leader Grant Fuzi is widely praised for bank lending work, and his colleagues Michael Riches and Quentin Solomon are also well regarded.

The team advised on a wide selection of deals ranging from the three-tier A\$210 million (\$156 million) acquisition financing by Pacific Equity Partners to fund its investment in the Vision Fire and Security business, a pre-IPO syndicated financing of Charter Hall Property Group and an interesting cross-border financing related to China National Chemical Corporation's acquisition of domestic

polyethylene producer Qenos Holdings. The Clayton Utz team acted for the lenders in each of these transactions. The firm also served as lender's counsel on a significant financing taken out by Metcash to support its A\$1.7 billion offer for Foodland Associated.

Many key market players in the financial services sector also turn to Clayton Utz for guidance on regulatory and compliance issues. Examples include AMP, Commonwealth Bank, ING, Zurich, Suncorp and the Reserve Bank of Australia. The team has been busy advising a number of financial institutions in relation to their superannuation licensing projects and helping Macquarie's Equity Markets Group to develop several structured fund products. With the arrival of financial services expert Shelley Hemmings from Blake Dawson Waldron, the firm is well-placed to capture more of this kind of work.

Leading lawyers

Grant Fuzi
Graeme Gurney
Michael Riches
Quentin Solomon

Key contact partners

Grant Fuzi (lending)
John Moutsopoulos (regulatory)
Michael Riches (lending)

Freehills

Freehills wins high recommendation for its banking practice, boasting a wealth of legal talent including practice head Patrick St John. The practice is well-balanced, advising an enviable roster of borrower and lender clients such as Lend Lease, Burns Philp, Commonwealth Bank, ANZ and National Australia Bank. This allows the team to secure many roles on a wide spectrum of deals from straightforward syndicated lending to more complex acquisition financings. Recent examples include advising Burns Philp on its \$510 million high-yield note buyback facility and acting for Goldman Sachs Private Equity on the acquisition financing of Pirelli Communications. Lender instructions included acting for Credit Suisse and BOS in connection with the A\$440 million (\$337 million) acquisition financing of the Emeco Group taken out by a private equity consortium and advising ABN Amro as a financier and sponsor on the high-profile Darwin City Waterfront PPP.

Freehills' regulatory team does not disappoint either, receiving a nod for the high-quality of its advice. The team has been busy on a range of matters including superannuation licensing and unit pricing issues, and frequently represents its clients in negotiations with market regulators such as the Australian Prudential Regulatory Authority and the Australian Securities and Investment Commission. The addition of financial products guru Michael Vrisakis provides a further boost to an already strong team.

Leading lawyers

John Angus
Mark Breheny
Mark Rigotti
Patrick St John

Key contact partners

Patrick St John
Peter Stawell
Michael Vrisakis

Mallesons Stephen Jaques

At 38 partners and over 100 associates, Mallesons Stephen Jaques' banking group has a formidable presence in the Australian legal market. Having an extensive list of clients enables the firm to continually win roles on many of the country's largest financings. Much of the firm's recent work has come from cross-border acquisition financings. For example, Scott Gardiner lead a team advising Worley Group on a multi-currency and multi-jurisdictional financing to

fund its acquisition of the Parsons group in the US. Another deal saw Jeff Clark representing Credit Suisse and National Australia Bank as financiers of a leveraged acquisition by Bayard Capitals of the European based Landis & Gyr Group.

A more domestic example was Bank of Scotland and ANZ's financing of ABN Amro Capital's purchase of the Scott's Refrigerated Freightways and McColl's Transport groups. Other highlights include the A\$1 billion (\$766 million) debt financing aspect of Goodman Fielder's IPO and the financing arrangements relating to a series of property acquisitions by newly established Allco property funds. Peter Doyle, Ian Paterson and John Stumbles are cited as leading lawyers while Ken Astridge is noted as an up and coming talent.

The group is also characterized by its excellent regulatory track record which extends to retail and wholesale banking, superannuation, managed funds, insurance, foreign exchange and derivatives. In addition to financial institutions, regulators and industry bodies such as the Australian Bankers' Association, the Reserve Bank of Australia and the Australian Payments Clearing Association regularly consult with the firm for help in drafting regulations and making submissions on legislative policy proposals. Going forward, Mallesons' regulatory lawyers continue to be active advising their clients on the proposed anti-money laundering reforms.

Leading lawyers

Jeff Clark
Peter Doyle
Ian Paterson
John Stumbles

Key contact lawyers

Ken Astridge
Steven Fuller
David Olsson

Blake Dawson Waldron

The banking and finance practice team at Blake Dawson Waldron now stands at 19 partners and 55 associates, providing effective national coverage. Although the firm has lost a number of partners to rival firms, the market does not feel that its overall strength has not been diminished, and John Field and Martin Coleman receive positive feedback from among a solid team. A recent highlight saw the firm document and negotiate an A\$1.2 billion (\$893 million) facility for Alinta to fund its A\$1.8 billion bid for the Australian Gas Light Company. Drawing on its strong reputation for resources work, the firm also advised Lihir Gold on a rare gold loan facility arranged by ABN AMRO valued at A\$270 million.

On the lender side, Blakes acted for ANZ Bank as lead arranger in connection with the complex A\$305 million corporate reconstruction financing of the Parmalat group in Australia, a deal that also required significant stamp duty expertise. The firm was also able to display its asset finance skills on an A\$525 million operating lease securitization for Qantas.

Steven Cavanagh heads the regulatory practice which provides compliance and other regulatory advice to its retail banking clients such as ANZ and BankWest. The regulatory group also helped Origin Mortgage Management to revise its standard procedural documentation.

Leading lawyers

Martin Coleman
John Field

Key contact partners

Stephen Cavanagh
Martin Coleman
Richard Fawcett

Minter Ellison

Minter Ellison's banking team was boosted recently by the addition of two partners – David Eterovic, who rejoins the firm, and Theo Kindynis, who moved over from Baker & McKenzie in Melbourne. The firm retains a quality list of clients such as Commonwealth Bank, National Australia Bank, BOS International and ANZ Banking Group.

The team's recent experience highlights its broad-based coverage. To illustrate, Tony Berriman and his team advised the banking syndicate on an A\$1.4 billion (\$1 billion) multi-currency facility provided to the Macquarie Goodman Group, and on the borrower's side a team led by Andrew Venables acted for a Challenger Infrastructure Fund-led consortium on the acquisition financing of Inexus Group in UK. A recent deal that bolstered the team's expertise in private equity financing was the A\$110 million acquisition of Nasdaq-listed company BBQ Galore by Ironbridge Capital, in which Minter Ellison represented Commonwealth Bank as debt financier.

Key contact partners

Tony Berriman
Theo Kindynis
Daniel Marks

Arnold Bloch Leibler

Arnold Bloch Leibler's banking and finance department is led by Stephen Sharp in Melbourne. Over the past year the three-partner team has been developing its market profile in structured financing. The team has a strong lender focus, recently advising clients such as Babcock & Brown, BankWest and Investc in connection with a series of structured lending transactions. Sharp also acted Bank of Scotland on the provision of over A\$700 million (\$520 million) in financing facilities in several Australian states.

Key contact partners

Philip Chester
Paul Rubenstein
Stephen Sharp

Henry Davis York

Banking and finance is one of Henry Davis York's core areas, drawing almost a third of the firm's resources. The firm attracts major clients such as Commonwealth Bank, National Australia Bank, St George Bank, Westpac, HBOS and Perpetual Trustees. Funds management companies have also been a source of regular work.

For example, Roger Dobson led the team advising Eureka Funds Management on the financing of a A\$400 million (\$306 million) acquisition of hotels from the InterContinental Hotels Group, while Simon McSweeney acted for Gresham Property Funds as a mezzanine lender to the A\$172 million Portside Wharf project in Brisbane.

Among other deals, the team advised ING Real Estate on the financing arrangements for the restructure of Trafalgar Corporate Group's managed investment schemes. Henry Davis York also runs an active regulatory practice, advising several foreign institutions on the establishment of their Australian businesses.

Key contact partners

Ben Emblin
Michael Rowe
Simon McSweeney

Capital markets – debt

Recommended firms

Tier 1

Mallesons Stephen Jaques

Tier 2

Allens Arthur Robinson

Blake Dawson Waldron

Clayton Utz

Tier 3

Baker & McKenzie

Minter Ellison

Mallesons Stephen Jaques

Mallesons Stephen Jaques' domination of the debt market is such that it sits in the first tier on its own. The firm has an unparalleled expertise in this area, ensuring that it is visible on most of the major deals to hit the market, especially where kangaroo bonds are involved. A notable example was Wells Fargo's A\$2 billion (\$1.5 billion) debut bond issue into the Australian market. Lead partner Greg Hammond and his team played a key role advising Wells Fargo on the largest ever kangaroo bond offering. Another highlight was the establishment of Allco Mortgage & Securities Trust's MTN programme, on which Mallesons also advised the issuer, a deal made complex due to the issuer was a hybrid listed vehicle. Of a strong team, Hammond and David Olsson are consistently recognized for their high standard of advice.

Leading lawyers

Greg Hammond

David Olsson

Key contact partners

Greg Hammond

David Olsson

Ian Paterson

Allens Arthur Robinson

Allens Arthur Robinson has a well-earned reputation for advising on large and complex debt offerings in Australia. The team has an excellent roster of investment bank clients such as Westpac, ANZ and National Australia Bank, and is a popular choice among corporate issuers such as News Group, Burns Philp, QBE Group, Amcor, CSL, One Steel and Downer EDI.

Over the past year, the firm has continued to advise its clients on a variety of domestic and international debt issues including commercial paper, MTN and CD programmes, US144A and SEC registered issues as well as kangaroo bonds. In addition to straight bond issues, the Allens team has expertise on credit-wrapped transactions, Tier 1 and Tier 2 issues, project and infrastructure debt issues, and subordinated and structured debt. Team leader David Clifford and Mark Kidston are well-known names in this area.

Leading lawyers

David Clifford

Mark Kidston

Key contact partners

David Clifford

Robert Cornish

Mark Kidston

Blake Dawson Waldron

Blake Dawson Waldron's ability to provide quality advice on debt transactions has seen it win interesting mandates over the past 12 months. Several of the firm's clients are foreign issuers seeking to tap into the domestic capital markets. To illustrate, Richard Fawcett rep-

resented Royal Bank of Canada and Toronto Dominion Bank as lead managers in relation to a A\$3 billion (\$2 billion) debt issue programme for Spain's Instituto de Credito Oficial. Fawcett again acted for Royal Bank of Canada as arranger of a debt programme for the Province of Ontario.

Moving to the issuer side, Paul Jenkins acted for the Province of Saskatchewan on the establishment its inaugural Australian debt issuance programme. The firm also scored a role on the A\$1.3 billion Allco Max Securities and Mortgage Trust, with David Mason advising JP Morgan as cashflow and systems manager. Other key clients include Rabobank, ANZ Bank and TD Securities.

Leading lawyer

David Mason

Key contact partners

Richard Fawcett

Paul Jenkins

David Mason

Clayton Utz

Clayton Utz's debt practice complements its strong securitization department, and many of the firm's securitization experts are often visible on the firm's debt deals. The team is often sought by Australian issuers to advise on the domestic aspects of their international offerings. For example, in October 2005 Brisbane partner Alan Maguire advised Suncorp-Metway on the update of its \$15 billion MTN programme and an issue of €500 million floating rate notes. Two months later, Alan Maguire helped Bank of Queensland with the updating of its own \$2 billion euro medium term note programme. In another deal, the firm worked on a convertible note issue by Underwired Group for the expansion of its commercial wireless access network.

The firm also acts on the underwriting side, with Brian Salter recently advising the National Australia Bank as arranger and lead dealer in relation to China Light and Power's A\$2 billion domestic MTN programme.

Leading lawyer

Brian Salter

Key contact partners

Ninian Lewis

Trevor Robinson

Brian Salter

Freehills

Freehills has a thriving debt practice, making it one of the strongest advisers in the area. The promotion of securitization expert Lachlan Roots to partnership has also added depth to the team. Practice head Andrew Booth and his colleague Richard Gray come particularly highly recommended for their experience.

Freehills' track record tends to consist of instructions on the more complex and sizeable deals to reach the market. Since mid-2005 the firm has advised National Australia Bank and Citigroup as joint-lead arrangers of the Wells Fargo A\$3 billion (\$2 billion) kangaroo bond programme, acted for the Packer Group on a \$1.6 billion debt capital raising in the private placement market, and represented National Australia Bank as arranger of Newcastle Building Society's \$1 billion debt issuance programme.

Freehills also scored a role on the establishment of the AAA-rated medium-term note programme for the managed investment scheme Allco Max Securities & Mortgage Trust, acting for Allco Funds and Société Générale as note purchaser and liquidity provider.

Leading lawyers

Andrew Booth
Richard Gray

Key contact partners

Andrew Booth
Richard Gray
Patrick Lowden

Minter Ellison

Minter Ellison's debt capital markets capabilities have been bolstered this year by the return of finance partner David Eterovic, and the team has been busy developing its expertise beyond straight debt issues. This is reflected by recent instructions which include the debt funding of the Melbourne Convention Centre PPP development which involved a credit-wrapped bond issue, and Great Southern Plantations' complex hybrid offering of A\$125 million (\$91.5 million) perpetual subordinated reset convertible note instruments.

As well as acting for corporate issuers, the firm also regularly receives instructions from financial institutions such as the Toronto-Dominion Bank and Bank of New York Trust.

Key contact partners

Ralph Ayling
David Eterovic

Capital markets – equity**Recommended firms****Tier 1**

Allens Arthur Robinson
Blake Dawson Waldron
Freehills

Tier 2

Clayton Utz
Mallesons Stephen Jaques

Tier 3

Baker & McKenzie
Minter Ellison

Tier 4

Arnold Bloch Leibler
Corrs Chambers Westgarth
Phillips Fox

Allens Arthur Robinson

As with many of its other practice areas, Allens Arthur Robinson has a well-established record advising on some of the best equity deals around. Jon North is considered to be "a real market player" in this sphere.

The team is a favourite among the investment banks, and won the underwriter's counsel role on a number of high-profile offerings. Examples include the ground-breaking A\$1.41 billion (\$1 billion) SP Ausnet IPO, which achieved the first dual listing in Australia and Singapore, Goldman Fielder's A\$2.6 billion IPO, Spark Infrastructure's A\$1.1 billion IPO of stapled instruments and the float of Babcock & Brown Wind Partners, which required complex restructuring and regulatory approvals.

On the issuer side, Allens advised on the spin-off and listing of Macquarie's media interests through the A\$996 million IPO of

Macquarie Media Group. The team got off to a running start in 2006, advising Dyno Nobel on its A\$1.6 billion IPO and listing. The team also boasts extensive experience in hybrid capital raisings, having advised Burns Philp, St George, Commonwealth Bank, Westpac and Amcor in the past.

Leading lawyers

Andrew Clarke
Michael Grieg
Jon North

Key contact partner

Jon North

Freehills

Freehills fields an equity capital markets practice that is the envy of many competitors. Philippa Stone is a prominent figure in the market, winning praise from peers and clients alike. There are now 24 partners in the team following the internal promotion of Tony Sparks. The firm had a strong showing last year, leading the pack in deal size and volume as well as innovation. Highlights included acting for Burns Philp on the A\$2.6 billion Goldman Fielder IPO, the biggest deal to come to the market for several years, and advising Singapore Power on the A\$1.41 billion IPO of stapled securities by SP Ausnet, which was the second largest offering in 2005 and the first dual listing in Australia and Singapore.

The team was also involved in a sizeable hybrid capital raising that saw the Commonwealth Bank raise A\$1.16 billion through issuing PERLS (perpetual exchangeable repurchaseable listed shares). Cross-border work included SkyCity's A\$150 million offering perpetual reset exchangeable securities, an innovative deal as it was the first issue of frankable notes by a New Zealand issuer to the Australian capital markets.

Going forward, Freehills has been appointed adviser to the Australian government on the sale of its remaining stake in Telstra, a highly coveted role as the privatization is expected to raise A\$25 billion and set new global records.

Leading lawyers

Richard Loveridge
Philippa Stone
Michael Ziegelaar

Key contact partners

Richard Loveridge
Philippa Stone
Michael Ziegelaar

Mallesons Stephen Jaques

Mallesons Stephen Jaques is well known for having one of premier securities practices in Australia. The practice boasts a wealth of legal talent – practice head David Friedlander is a favourite with clients, and Stephen Minns, Greg Golding and Peter Cook are regarded as leading practitioners.

Recently the team has been at the forefront of the development of stapled securities. In late 2005 it played a crucial role in helping Spark Infrastructure to structure the first combined stapling of units, loan notes and Australian and offshore shares. The complex capital raising raised A\$1.1 billion (\$851 million). Previously the firm had advised the lead manager UBS in connection with Alinta Infrastructure's A\$926 million IPO, acted for the underwriters on the Challenger Infrastructure Fund entitlement offer, and represented Macquarie Capital Markets as lead manager on Macquarie Media Group's IPO, all deals involving stapled security structures. Another interesting deal was the unique float of Babcock & Brown Wind Partners, a global renewable energy fund that had several cross-border elements.

The highly anticipated Telstra privatization is expected to keep the team busy over the coming months, as Mallesons is acting as counsel to Telstra. Hybrid offerings are another area in which the

firm excels, recently acting for Australand Property Group on the establishment of a hybrid trust issuing vehicle.

Leading lawyers

Peter Cook
David Friedlander
Greg Golding
Stephen Minns

Key contact partners

David Friedlander
Greg Golding
David Olsson

Blake Dawson Waldron

Blake Dawson Waldron has made a strong push towards the first tier this year. Clients are effusive of practice head Sarah Dulhunty's expertise, saying she is "one of the market's strongest practitioners".

Through its solid client relationships, the firm has managed to score mandates on some big-ticket offerings. Standing out among these was Alinta Infrastructure's A\$950 million (\$728 million) IPO using a triple stapled security structure in August 2005. In the same month, Bruce MacDonald and his team completed Challenger Infrastructure Fund's A\$630 million IPO and subsequent entitlement offer. Another significant deal saw Bill Koeck advising Burns Philp on an A\$2.45 million sell-down of its interest in Goodman Fielder.

Key clients on the investment banking side include UBS and Goldman Sachs JB Were.

Leading lawyers

Sarah Dulhunty
Bill Koeck

Key contact partners

Sarah Dulhunty
Bill Koeck
Bruce McDonald

Clayton Utz

Clayton Utz continues to go from strength to strength in the equity arena under the capable guidance of leading lawyer Greg James. The team's capabilities were boosted this year by the arrival of property trust and infrastructure fund expert Matt Anderson from Blake Dawson Waldron, and Mark Williamson, who joined following the disbanding of Coudert Brothers. Stuart Byrne was also promoted to partner following a three-month secondment with the in-house team at Morgan Stanley to work on the A\$1.5 billion (\$1.1 billion) dual listing of SP Ausnet.

Another significant mandate saw the firm act on Tattersalls' A\$2.17 billion IPO, in which Clayton Utz represented the issuer on what was the country's third largest IPO in 2005. The team also showcased its versatility with some equity-linked deals, helping Credit Suisse as arranger of an A\$500 million convertible note issue by Commonwealth Bank and advising Woolworths on a A\$600 million retail offer of hybrid notes. At the time of writing, the team has been retained as issuer's counsel on the A\$406 million IPO by online accommodation booking service Wotif.com.

Leading lawyers

Charles Rosedale
Greg James

Key contact partners

Stuart Byrne
Penny Grau
Greg James

Minter Ellison

Minter Ellison's equity capital markets practice is headed by Sebastian Hempel in Sydney and Jeremy Blackshaw in Melbourne. There were a number of partner departures from the practice last year, including Anne Ward to become general counsel at National Australia Bank. However the firm replenished team numbers with Gerry Cawson, a former partner with Holding Redlich, and by gain-

ing two senior associates. Hempel and Bart Oude-Vrielink are regarded by peers and clients as "highly knowledgeable" in this area.

The deal front has been active, and has seen Minter Ellison acting for a mix of underwriter and issuer clients. Highlights included advising Macquarie Capital Alliance on its A\$400 million (\$306 million) capital restructuring, which involved a triple stapling structure and listing on the Australian Stock Exchange, and acting for Macquarie Equities as underwriter of the A\$700 million build sell-down of Orica's stake in Incitec Pivot. October 2005 was especially busy, with the team completing an A\$140 million renounceable rights issue and global institutional placement by Bendigo mining, and the IPO and listing of mobile premium dealer Fone Zone.

Leading lawyers

Sebastian Hempel
Bart Oude-Vrielink

Key contact partners

Jeremy Blackshaw
Sebastian Hempel
Bart Oude-Vrielink

Arnold Bloch Leibler

Arnold Bloch Leibler's equity team has continued to be busy on project-related capital raisings. Key client Macquarie Bank has been a good source of work, retaining the firm for a number of underwriting deals involving major projects. More recently, the team advised Macquarie Bank as equity investor in a bid by the BrisConnection consortium for the proposed Brisbane north-south bypass tunnel project. In another deal, the team represented Macquarie Bank as underwriter of an A\$140 million (\$107 million) rights issue and global institutional placement by Bendigo Mining.

Key contact partner

Henry Lanzer

Phillips Fox

Equity work at Phillips Fox is handled by Mark Burger's corporate team. The team was recently involved in an A\$130 million institutional placement to fund Boom Logistics' strategic acquisition of several Australian businesses. Phillips Fox has also acted on a multitude of domestic listings by Australian companies, including those of Run Corp and Praemium, in which the firm served as counsel to the issuer.

Key contact partners

Mark Burger
Eugene Fung
Robert Tobias

Capital markets – structured finance

Recommended firms

Tier 1

Allens Arthur Robinson
Clayton Utz
Mallesons Stephen Jaques

Tier 2

Blake Dawson Waldron
Freehills

Tier 3

Henry Davis York
Minter Ellison

Allens Arthur Robinson

The four-partner team at Allens Arthur Robinson enjoys an excellent reputation in the market, having worked on many precedent-setting deals. Mark Wormell and Andrew Jinks continue to be rated highly for their experience and quality of advice. A recent highlight was Bluestone Mortgages' debut non-conforming euro deal, making Bluestone one of only two Australian non-conforming lenders to have tapped into the euro markets.

The firm also took on trustee advisory roles in a number of high-profile deals, such as the establishment of JP Morgan's Master Trust structure in Australia and Mobius Financial's issue of A\$550 million (\$421 million) near-prime mortgage-backed securities, a complex deal that involved nine classes of securities.

Leading lawyers

Andrew Jinks
Mark Wormell

Key contact partners

Matthew Allchurch
Andrew Jinks
Mark Wormell

Clayton Utz

Clayton Utz retains its first-tier ranking thanks to the excellent work of the highly respected Brian Salter and his team. The team has worked on many innovative and complex deals, some being the first of their kind in Australia. In 2005, for example, the team acted for National Australia Bank in relation to its derivative and lending facilities for Rams Home Loans' \$2.5 billion extendible commercial paper facility in the US, the first time that an Australian issuer had accessed the US extendible commercial paper market.

Clayton Utz then acted for Commonwealth Bank on its A\$659 million (\$489 million) issue of Colonial hybrid securities, and advised Commonwealth Bank again in its capacity as arranger in Mobius Financial's A\$350 million near-prime non-conforming mortgage securitization. The first half of 2006 saw the team continue its successful streak, playing a key role on Australia's largest securitization to date, Commonwealth Bank's issue of A\$5.5 billion residential mortgage-backed securities through its Medallion Trust vehicle.

Most recently, in May 2006 Trevor Robinson advised Suncorp Metway on its A\$2.5 billion euromarket securitization of residential mortgages.

Leading lawyer

Brian Salter

Key contact partners

Ninian Lewis
Trevor Robinson
Brian Salter

Mallesons Stephen Jaques

Mallesons Stephen Jaques' securitization practice has long been regarded as a market leader. While the team has a tremendous amount of experience acting for arrangers, originators and other participants in the industry, it is best known for consistently working on cutting-edge deals.

In the past year, the firm continued to build on its impressive portfolio of deals. Long-time client Rams Home Loans turned to the firm for help in structuring its \$4.5 billion extendible commercial paper programme, the first of its type to be set up by an Australian mortgage-backed issuer. In another innovative deal, the firm acted for Mobius Financial on its issue of A\$550 million (\$409 million) residential mortgage-backed securities, which involved a complex bond and multiple originator structure.

Elsewhere, the firm was counsel to JP Morgan on the establishment on its Australian Chariot Master Trust structure, and helped National Australia Bank become the first Australian bank to achieve the first global synthetic balance sheet collateralized loan obligation.

The team is stocked with talent, making it difficult to single out standout practitioners, but Berkeley Cox, Stuart Fuller and Scott Farrell are complimented by peers and clients.

Leading lawyers

Berkeley Cox
Scott Farrell
Stuart Fuller

Key contact partners

Berkeley Cox
Stuart Fuller

Blake Dawson Waldron

Blake Dawson Waldron's securitization practice is spearheaded by David Mason and Richard Whittaker, who are both "seasoned practitioners" according to the market. Several of the firm's recent deals have contributed to the development of the securitization-driven financings in Australia. The team was able to display its expertise by guiding AWB through the establishment of its A\$1.6 billion (\$1.2 billion) multi-trust funding Rural programme and warehouse trust facility, and advising ANZ as lead arranger of a complex A\$375 million pre-sale securitization and bank financing of the Sunland's group development project in Surfers Paradise.

A team led by Mason was also involved in the securitization funding of the A\$100 million purchase of Clifford Hallam Pharmaceuticals by a private equity joint venture. Finally, the firm also scored a role on Bluestone Mortgages' inaugural non-conforming euro deal.

Leading lawyer

David Mason

Key contact partners

Paul Jenkins
David Mason
Bruce Whittaker

Freehills

Freehills has been making steady progress under the leadership of Tessa Hoser, who was lured over from Blake Dawson Waldron. Lachlan Roots was also elevated to partnership, signalling the firm's commitment to this area. The firm's client list consists of well-known names such as ABN Amro, Commonwealth Bank, Citigroup and Babcock & Brown., and long-standing client Members Equity also continues to be a source of work regarding its securitization programmes.

Last year Hoser's team acted for Westpac, ANZ and NAB as senior bond subscribers on an A\$750 million (\$556 million) auto receivables securitization by a major car manufacturer. In another auto-related deal, the team served as Australian counsel to the lenders on a global \$2.9 billion securitization bridge facility to fund a private equity-led acquisition of the Hertz Group. Meanwhile, structured finance expert John Angus was busy advising banks on a number of structured principal-to-principal investments.

Leading lawyer

Tessa Hoser

Key contact partners

John Angus
Tessa Hoser
Lachlan Roots

Henry Davis York

At Henry Davis York, Alex Mufford is regarded as the firm's main securitization expert. Mufford and his team have been active during

the past 12 months on a range of transactions that showcase their securitization expertise.

Examples include advising ING Real Estate on setting up a commercial paper programme for the ING Industrial Trust, and establishing a commercial mortgage-backed securities programme to fund the ING Retail Property Fund. The team also worked on Alloco's complex Mobius NCM-03 Trust, which was backed by mortgage loans, and on the Liberty Trust securitization of non-conforming auto loans.

Key contact partners

Alex Mufford
Simon McSweeney

Minter Ellison

Ralph Ayling's structured finance team has been actively trying to raise its profile in the market. Ayling recently advised Hertz Corporation on the restructuring of its Australian debt to facilitate the securitization of the company's car rental fleet. Following completion of the restructuring, the firm continues to act for Hertz on the Australian aspects of the securitization. In another deal, the team advised Aussie Home Loans in connection with an alliance with Macquarie Securitization.

Key contact partners

Ralph Ayling
John Elias
David Eterovic

Insolvency and restructuring

Recommended firms

Tier 1

Blake Dawson Waldron
Clayton Utz
Henry Davis York
Minter Ellison

Tier 2

Allens Arthur Robinson
Mallesons Stephen Jaques

Tier 3

Arnold Bloch Leibler
Baker & McKenzie
Corrs Chambers Westgarth
Freehills
Phillips Fox

Tier 4

Deacons
Dibbs Barker Gosling
Gadens
Kemp Strang
Piper Alderman

Blake Dawson Waldron

Blake Dawson Waldron's insolvency and restructuring practice has traditionally been one of the firm's strongest, and one of the best in the country. Partner numbers now stand at 11 after the lateral recruitment of Melbourne lawyer Ross McClymont from Deacons.

Since mid-2005 the team has been busy on several interesting deals. Examples include acting for National Express (as a major shareholder and creditor) and Deloitte (as administrator) in relation to the Westbus administration, which involved the negotiation of new services contracts and the \$106.7 million sale of the restructured group to a joint venture, helping the Teac Corporation to negotiate a company arrangement with the administrators and secured creditor ANZ, and advising the administrators for Gowings Retail on its company arrangement and subsequent recapitalization.

Other key clients include PPB, McGrathNicol and HBOS Australia. The team is led by the highly respected James Marshall, and both he and Ray Mainsbridge are frequently picked out as "highly recommended" practitioners.

Leading lawyers

Ray Mainsbridge
James Marshall

Key contact partners

Ray Mainsbridge
James Marshall
Ross McClymont

Clayton Utz

Over the past year the market has moved in Clayton Utz's favour, and after a strong showing, the firm gains promotion to the top tier this year. The group now stands at 17 partners after Doug Galbraith in Canberra was appointed partner in January 2006, and its practice is driven by a strong client base of banks and insolvency practitioners, such as Commonwealth Bank, Westpac, Ferrier Hodgson and McGrathNicol.

Among the year's highlights, the team has been acting for the liquidators of the Westpoint Group, an insolvent property development managed investment scheme and trust arrangement that has an estimated A\$800 million (\$587 million) in debts, and represented the deed administrators on the collapse of the Australian Growth master plantation investment schemes.

Other ongoing matters have been the administrations of public transport franchise operator National Express and listed technology company Environmental Solutions International. Clayton Utz is advising the administrators in both cases.

In terms of leading lawyers, David Cowling is viewed by the market as a standout practitioner. Rob McKenzie and Paul James are also recommended, and Quentin Solomon comes in for praise on the debt workout side.

Leading lawyer

David Cowling

Key contact partners

Cameron Belyea
Paul James
Karen O'Flynn

Henry Davis York

Henry Davis York's insolvency and restructuring practice has traditionally been one of the firm's strongest. Although the team of eight partners and 22 associates is based in Sydney, clients consider the firm to be very much a national player in this area. This is mostly due to the depth of legal talent – Phillip Crawford, John Martin and John Evans are consistently singled out for client praise, and younger partners such as Matthew Kersey have been making a name for themselves in the market.

The team has worked on several notable insolvency cases in the past, and this trend continued in 2005. The firm won roles representing the secured creditors in the year's two most significant insolvencies – Henry Walker Eltin and the Ion Group. More recently, Martin served as counsel to the liquidator in the winding up of New Cap Reinsurance and AFG Insurances. Meanwhile John Evans and Roger Dobson have been busy advising the secured creditors, receivers and managers on the insolvency of publicly listed auction house the Auto Group.

Leading lawyers

Philip Crawford
John Evans
John Martin

Key contact partners

Philip Crawford
John Evans
John Martin

Minter Ellison

Minter Ellison continues to be recognized as fielding a top-tier insolvency and restructuring practice, attracting quality clients such as Ferrier Hodgson, McGrathNicol, ANZ Bank and Deloitte Touche Tohmatsu. The team's size of 14 partners and 28 associates means it is well-equipped to handle resource-intensive and complex matters.

Although there has been a general slowdown in this area in Australia, the firm has managed to keep active by working on a number of ongoing matters. These include advising PricewaterhouseCoopers as liquidators of mezzanine companies in the high-profile Westpoint Group collapse, and representing the directors and administrators on the Ion Group administration, the largest of its type in 2005. The team has also been closely involved in the voluntary administration of the Westbus group, the largest private bus operator in Australia, by advising Deloitte as administrator.

From among the team, the market identifies Michael Hughes and national practice head Ian Walker, both of who are considered to be leading practitioners.

Leading lawyers

Michael Hughes
Ian Walker

Key contact partners

Michael Hughes
Ian Walker
Brendon Watkins

Allens Arthur Robinson

Allens Arthur Robinson's insolvency and restructuring group continues to hold its own in a relatively quiet environment. Its excellent client base, which includes ANZ, Commonwealth Bank, Deloitte, Ernst & Young, Ferrier Hodgson, KPMG, Macquarie Bank, PricewaterhouseCoopers and Westpac, makes the firm well placed to capitalize on any upturn in the market.

The firm continues to work on two large matters – representing McGrathNicol as administrators for the Ion Group, a large automotive component maker that was placed in voluntary administration in December 2004, and advising the Henry Walker Eltin Group in relation to its voluntary administration. McGrathNicol also turned to the firm for advice in relation to the Paridian Property Development Fund collapse.

From among the team, Michael Quinlan has a good name in the market, as does Melbourne partner Tanya Cini, who has been dubbed a rising star. On the restructuring side, banking partner Ian Wallace stands out for his depth of experience.

Leading lawyers

Michael Quinlan
Ian Wallace

Key contact partners

Michael Quinlan
Geoff Rankin

Mallesons Stephen Jaques

Mallesons Stephen Jaques' close client relationships with key lending institutions extend to its insolvency and reconstruction practice which features a strong creditor focus. The market recognizes the expert capabilities of John Stumbles and Linda Johnson.

Although the details of several of the team's ongoing matters remain confidential at the time of writing, the team has scored roles on a number of high-profile corporate collapses including the Westpoint liquidation. Beau Deleuil's team played a crucial role advising National Australia Bank and its receivers and managers on the restructuring of managed investment scheme Australia Growth. The matter involved a highly complex refinancing package, recapitalization and relisting of the restructured company. In another interesting deal, the firm acted for BHP Billiton's iron ore division as a contract customer in connection with the administered sale of HenryWalker Eltin's contract mining business to Leighton Contractors.

As the market moves away from traditional liquidation as a solution to corporate difficulties, the team's experience in providing innovative solutions is expected to lift its profile further over the coming years.

Leading lawyers

Linda Johnson
John Stumbles

Key contact partners

Linda Johnson
John Stumbles

Arnold Bloch Leibler

Arnold Bloch Leibler's reconstruction and insolvency practice is overseen by Melbourne partner Leon Zwier, who is "a high-profile figure" in the industry. Zwier's team is experienced in acting on all sides of corporate recovery matters, representing various groups such as liquidators, receivers, other insolvency administrators and creditors.

In the past the firm has been visible on a number of large and complex deals that require cross-border expertise. Last year, the firm has kept busy on two significant ongoing cases – first, acting for receivers and managers of several of the Westpoint group of companies in relation to incomplete construction projects, and secondly, advising a group of US institutional investors as creditors in the Sons of Gwalia administration.

Leading lawyer

Leon Zwier

Key contact partner

Leon Zwier

Corrs Chambers Westgarth

Over the past few years, Corrs Chambers Westgarth has been steadily increasing the profile of its insolvency and debt restructuring practice under the direction of rising star Dominic Emmett. The insolvency and reconstruction group draws on the combined talents of lawyers with corporate, commercial, finance and litigation expertise.

Over the years the firm has established good relationships with insolvency practitioners, accounting firms and financial institutions. The team also advises directors of insolvent corporations on their obligations and personal liability issues. Its ranks have been further bolstered recently with the hire of insolvency expert Michelle Harpur and her team from the now-defunct Coudert Brothers.

Key contact partner

Dominic Emmett

Phillips Fox

Phillips Fox's insolvency and restructuring practice forms part of its wider commercial dispute resolution group. Adelaide partner Joseph De Ruvo and Susanna Khouri in Sydney lead the national team.

The group has been able to maintain a busy deal flow despite the market slowdown. Examples include acting for the liquidators of department store chain Harris Scarfe, helping Robert Bosch negotiate supply arrangements with Ion's administrators, and representing St George Bank on several security enforcement issues. The firm was also active on the contentious side this year, acting for defendants and claimants on a number of insolvent trading claims.

Key contact partners

Joseph De Ruvo
Susanna Khouri

Piper Alderman

Piper Alderman plays host to a well-established insolvency group of 11 lawyers operating from offices in Sydney, Melbourne and Adelaide. The practice has developed a respectable client base that includes Ernst & Young, KPMG, Deloitte, Grant Thornton, Horwath & Horwath, BDO, Lawler Partners and large financial institutions such as Adelaide Bank. From among the team, Sydney partner Philip Stern is considered to be "a solid choice" for insolvency work.

As a result of the firm's wide-ranging expertise it has been called on to handle almost every aspect of insolvency work, including court liquidations, voluntary administrations and winding up, structuring workouts and schemes of arrangement, enforcement of security, debt recovery and advising directors of insolvent companies. The firm recently scored a role on the Australian Growth insolvency, which involved complex managed investment schemes and over 1000 investors, and advised the Westbus directors in relation to the voluntary administration of the Westbus Group.

Leading lawyer

Philip Stern

Key contact partner

Philip Stern

Mergers and acquisitions

Recommended firms

Tier 1

Allens Arthur Robinson
Blake Dawson Waldron
Clayton Utz
Freehills
Malesons Stephen Jaques

Tier 2

Gilbert + Tobin
Minter Ellison

Tier 3

Atanaskovic Hartnell
Baker & McKenzie

Tier 4

Arnold Bloch Leibler
Corrs Chambers Westgarth
Henry Davis York
Phillips Fox

Allens Arthur Robinson

Allens Arthur Robinson's corporate team ranks as one of the best in the market, and the team's first tier status is reflected in the slew of complex and significant transactions it has been busy advising on. For example, the firm is lead adviser to the Patrick Corporation in relation to the hostile takeover bid mounted by Toll Holdings, a deal valued at A\$6 billion (\$4.4 billion), and is also acting on the proposed merger of Origin Energy and Contact Energy to form Australasia's largest integrated energy group.

Other highlights of a busy year included advising a Macquarie-led consortium on a successful A\$2.2 billion bid for Dyno Nobel's global operations, and representing Coles Myer on the A\$1.4 billion sale of its Myer department store assets to a private equity consortium.

It is difficult to single out leading individuals from such a strong team, but Guy Alexander, Andrew Clarke, Ewen Crouch and Jon Webster remain widely respected figures in the market.

Leading lawyers

Guy Alexander
Andrew Clarke
Ewen Crouch
Jon Webster

Key contact partners

Ewen Crouch
Jon Webster

Blake Dawson Waldron

Blake Dawson Waldron continues its strong track record in M&A, adding ex-Gilbert + Tobin partner Stephen Menzies to the team. Joint practice heads Marie McDonald and Bill Koeck are consistently recommended, as is corporate practice leader David Williamson.

Some of the more noteworthy deals the team worked on during the second half of 2005 include acting for superannuation trust Industry Funds Management on its A\$780 million (\$579 million) takeover bid for Pacific Hydro, and advising Ramsay Healthcare on the divestment of hospital assets to Healthscope.

The first half of 2006 has proved to be busy too, with the team working on high-quality deals such as Alinta's high-profile A\$9 billion bid for, and subsequent agreement to merge with, AGL. Blakes has also benefited from the global trend of stock exchange M&A activity, advising the Sydney Futures Exchange on its proposed merger with the Australian Stock Exchange to create the ninth-largest listed exchange group in the world.

Leading lawyers

Bill Koeck
Marie McDonald
David Williamson

Key contact partners

Bill Koeck
Marie McDonald
David Williamson

Clayton Utz

Clayton Utz joins the ranks of the first tier on the back of a strong performance and positive client feedback. The firm embarked on an acquisition spree this year, hiring four new partners – Mark Williamson from Coudert Brothers, Matt Anderson from Blake Dawson Waldron, Susan O'Rourke from Gadens and Brisbane partner Tim Reid from Minter Ellison. At the same time three senior associates were promoted to the partnership.

In terms of deal activity, the firm picked up some plum roles over the past 12 months, most notable being adviser to Toll Holdings on its A\$6 billion (\$4.4 billion) off-market takeover of the Patrick Corporation. Other billion-dollar deals included Tattersall's proposed merger with Unitab to create an entity worth A\$3.8 billion,

and the A\$1.8 million demerger of the Mayne Group into Mayne Pharma and Symbion Health.

The team has also been making its mark in private equity, advising Pacific Equity Partners on its \$200 million takeover of Worldwide Restaurants Concepts. Philip Kapp is viewed as one of the leading private equity lawyers in the country, and his colleagues Rod Halstead and John Elliott also received market praise for their general M&A skills.

Leading lawyers

John Elliott
Rod Halstead
Philip Kapp

Key contact partners

Rod Halstead
Philip Kapp
Rod Lyle

Freehills

Freehills' corporate department has been long been associated with top-notch M&A work, and the past year has been no exception as the team chalked up another impressive performance. Rodd Levy and Braddon Jolley "earn top marks for the quality of their advice," according to peers.

In 2005 the team acted for Dyno Nobel as part of a consortium with Macquarie Bank on the purchase of Dyno Nobel from Scandinavian venture capital firm Industri Kapital for a total consideration of \$1.7 billion. Freehills also played a key role on Metcash's A\$760 million (\$582 million) acquisition of Foodland Associated.

Private equity kept the team busy in 2006 too – highlights included Newbridge Capital's announced acquisition of the Myer department stores, which is expected to result in Australia's largest leveraged buyout, and the sale of Waco International to a consortium of private equity funds led by CCMP Capital.

Leading lawyers

Braddon Jolley
Rodd Levy

Key contact partners

Fiona Gardiner-Hill
Braddon Jolley
Rodd Levy

Mallesons Stephen Jaques

Mallesons Stephen Jaques is widely regarded as a corporate heavyweight in the Australian market, fielding a national team that is strong on legal talent. Tim Bednall, David Friedlander and Peter Cook are just some of the names that are singled out as leading lawyers.

A number of headline deals dominated the firm's transaction list last year, such as the extremely complex A\$3.8 billion (A\$2.8 billion) demerger of Foodland Associated's Australian and New Zealand operations and China Light & Power's successful bid for Singapore Power's Australian merchant energy of Singapore Power for A\$2.12 billion. The Australian team also worked closely with its Hong Kong counterparts to help AMP Capital set up a \$100 million Indian infrastructure fund.

Leading lawyers

Tim Bednall
David Friedlander
Peter Cook
Greg Golding
Stephen Minns

Key contact partners

David Friedlander
Greg Golding
Stephen Minns

Gilbert + Tobin

Although smaller than many of its competitors, Gilbert + Tobin has acted on numerous M&A transactions in the past year, often acting

across the table from its larger rivals. Among the firm's more recent instructions, it advised Woolworths on its A\$3.26 billion (A\$2.4 billion) acquisition of Foodland's New Zealand business, acted for the Australian Gas Light Company on the purchase of Southern Hydro for A\$1.425 billion and continues to advise AGL in relation to its recently announced merger with Alinta following a series of high-profile hostile takeover bids. Another impending deal is the proposed merger between Record Investments and Allico Finance Group.

The client base includes a wide assortment of names such as Publishing & Broadcasting, Macquarie Bank, Champ Private Equity and Citic Pacific. From among the team, partners Gary Besson and Gary Lawler are viewed as the driving forces of the firm's M&A practice.

Leading lawyers

Gary Besson
Gary Lawler

Key contact partners

Gary Besson
Gary Lawler

Minter Ellison

Minter Ellison edges closer to the first tier after an excellent year which saw it advising on a variety of billion-dollar deals. A notable cross-border transaction was acting for a consortium led by Challenger Infrastructure Fund in the acquisition of the UK gas transporter, Inexus Group Holdings, for A\$1.1 billion (\$843 million), the first investment by Challenger in the UK.

The team was also involved in some significant mergers, advising Austral Coal on its \$1.4 billion merger with Centennial Coal by way of an off-market scrip offer, and representing Credit Union Australian on its merger with Australian National Credit Union to create one of Australia's largest mutual financial institutions.

Key contact partners

James Phillips
John Steven
Tim Watkins

Arnold Bloch Leibler

Arnold Bloch Leibler's commercial and corporate group consists of 16 fee-earners operating out of Sydney and Melbourne. Recent highlights include advising Publishing & Broadcasting on the merger of its online car sales business with carsales.com.au, and acting for Anstat Group on a cross-border acquisition by publishing and training organization SAI Global.

In early 2006 the team represented the Besen family on the sale of a 50% stake in Highpoint Shopping Centre to General Property Trust for A\$621.6 million (\$461 million).

Key contact partners

Michael Dodge
Steven Klein
Henry Lanzer

Henry Davis York

Although Henry Davis York is arguably best known for its banking prowess, its five-partner corporate advisory group capitalized on the strong M&A activity last year to complete several deals. Examples included advising Eureka Funds on the acquisition of several hotels in Australia and New Zealand from the Intercontinental Hotels Group, and acting for AMP Capital on its purchase of a significant interest in Principal Healthcare. The team also helped AMP Capital

with a number of other private equity investments, including a management buyout.

The firm also picked up its share of cross-border work, such as winning an instruction to advise Avantogen on the cross-border restructure of its vaccine and oncology businesses into joint ventures with US companies.

Key contact partners

Geoffrey Hilton
Scott Murray
Robert Tracy

Phillips Fox

Phillips Fox boasts an active and highly competent corporate group that has earned the loyalty of many clients. Mark Burger's team has seen a steady stream of instructions from Boom Logistics, the most recent of which being its acquisition of Sherrin Hire for A\$130 million (\$100 million). The team was also retained to advise on Domino's Pizza's acquisition of retail pizza operations and master franchisors for several European countries. Finally, the firm was also involved in the private equity sale of ASX Perpetual Registrars to Pacific Equity Partners for A\$132 million.

Key contact partners

Mark Burger
Eugene Fung
Charles Mendel

Project finance

Recommended firms

Tier 1

Allens Arthur Robinson
Freehills
Mallesons Stephen Jaques

Tier 2

Blake Dawson Waldron
Clayton Utz
Minter Ellison

Tier 3

Corrs Chambers Westgarth
Gadens
Henry Davis York

Allens Arthur Robinson

Allens Arthur Robinson continues its tradition of being a big player in the project finance market. Sydney partners Diccon Loxton and Phillip Cornwell have developed excellent reputations in the area, and are ably supported by rising star Richard Gordon.

Unsurprisingly the firm remains a top choice for PPP work, having advised on all sides for financiers, consortia and the government. Recent highlights include the A\$250 million (\$182 million) Royal Women's Hospital PPP and the A\$150 million Royal Melbourne Showgrounds PPP.

The team's financing skills are often sought by lenders, too. For example, the firm played a key role advising the lenders on the A\$2.36 billion refinancing of the senior debt of the Loy Yang A power station, and on the smaller A\$617 million refinancing of Loy

Yang B. And on the A\$300 million Braemar power station greenfield power project, the firm also served as lender's counsel.

Leading lawyers

Phillip Cornwell
Diccon Loxton

Key contact partner

Phillip Cornwell

Freehills

A combination of skills, experience and quality deals serve to keep Freehills entrenched as a projects heavyweight in Australia. The team continues to attract work from an excellent assortment of clients, including ABN Amro, ANZ, Commonwealth Bank and Macquarie Bank. Team leader Brendan Quinn is highly recommended, and his colleagues Nick Grambas and Patrick St John also receive much praise from the market.

A number of high-profile projects have been occupying the team over the past year, such as the A\$1.1 billion (\$802 million) Darwin City waterfront project, in which Freehills acted for ABN Amro as lender and Toga as developer in connection with what was the Northern Territory government's first PPP. The team also served as lender's counsel on the \$220 million West Kimberly power project.

Freehills' well-balanced practice is also demonstrated by key borrower-side roles on deals such as the Loy Yang A and B refinancings, valued at A\$2.36 billion and A\$617 million respectively. Acting for Macquarie Bank, meanwhile, also provided the opportunity to work on interesting cross-border deals such as the Incheon Grand Bridge project in South Korea. Freehills' cross-border capabilities have been boosted further this year with the lateral hire of two associates with international experience.

Leading lawyers

Nicholas Grambas
Brendan Quinn
Patrick St John

Key contact partners

Mark Breheny
Nicholas Grambas
Brendan Quinn

Mallesons Stephen Jaques

Mallesons Stephen Jaques continues to keep ahead of the pack by winning important mandates and fielding a top-quality team. In particular, Jeff Clark and Tony Holland consistently attract positive comment. The firm has acted on many of the largest and most complex PPP deals in recent times. One notable example saw the firm act for the Northern Territory government on its first PPP, an A\$1 billion (\$750 million) project to redevelop Darwin's city waterfront. Mallesons was also involved in the Royal Melbourne Showgrounds development, the Newcastle Mater Hospital project and the Royal Women's Hospital redevelopment, all of which were financed under PPP principles.

At the same time the firm showcased its versatility by advising the sponsors on the A\$300 million Braemar power station project and acting for ABN Amro as lead arranger of the provision of a 480,000 ounce gold loan to Lihir Gold, the first Australian gold loan since 1999.

The practice shows no sign of slowing down, and at the time of writing the team was advising one of the preferred bidders on Brisbane City Council's A\$1.9 billion north-south bypass tunnel, one of the more significant toll road projects in recent times.

Leading lawyers

Jeff Clark
Peter Doyle
Tony Holland

Key contact partners

Peter Doyle
Tony Holland

Blake Dawson Waldron

Blake Dawson Waldron has developed a highly successful project finance practice. In terms of personnel movement, the firm has suffered slightly from the loss of two partners – Jason Huinink, who moved to Clayton Utz, and noted practitioner Geoff Daley, who decided to take up an investment banking role. However the team is expected to continue its success under the direction of the “highly experienced” John Field.

Through its good relationships with sponsors, the firm has scored roles on deals outside Australia such as the PNG gas project. A multi-disciplinary team advised Oil Search as joint venture participant and the PNG government in connection with the project financing and sale of a 10% stake in the project to AGL. PNG mining company Lihir Gold also called upon the team to advise on a \$270 million gold facility to refinance its existing debt.

PPP work has also been plentiful, with the team acting as lead counsel to the CRI Consortium as the successful bidder in the A\$360 million (\$262 million) Chatswood Transport Interchange PPP, and advising the NSW state government on the launch of an A\$120 million PPP schools project.

Leading lawyers

John Field
Cam Johnston

Key contact partners

Joanne Evans
Richard Fawcett
John Field

Clayton Utz

With the poaching of two partners from well-regarded practices – Jason Huinink from Blake Dawson Waldron and Gary Best from Mallesons Stephen Jaques – and the lateral hire of several senior associates from overseas, Clayton Utz has mounted a strong challenge for first tier contention.

The project finance team completed several noteworthy transactions last year. In mid-2005, the firm helped China Light and Power to complete the A\$2.45 billion (\$1.8 billion) debt financing for its A\$4 billion acquisition of Singapore Power's electricity and gas assets in Australia. The rest of the year saw Clayton Utz advise the Transport Infrastructure and Development Corporation on an A\$360 million transport interchange project, and acting for NSW Health on the \$180 million Newcastle Mater Hospital redevelopment project.

The firm's traditional strength in acting for government clients has served it well in an active PPP market. At the time of writing Clayton Utz has been retained by the Brisbane City Council to advise on two significant toll road projects – the A\$2 billion north-south bypass tunnel and the A\$1.5 billion Brisbane Airport link project.

From a strong team, Grant Fuzi, Quentin Solomon and Bradley Vann are singled out as leading lawyers.

Leading lawyers

Grant Fuzi
Quentin Solomon
Bradley Vann

Key contact partners

Angela Flannery
Grant Fuzi
John Shirbin

Minter Ellison

Minter Ellison has developed a solid reputation for project finance in Australia, and has recently extended its reach to the wider Asian region. In May 2006, a team led by Andrew Venables advised AED Oil on a \$53.25 million financing to fund the development of oil reserves in the Bonaparte Basin-Timor Sea area. In the same month,

a multi-disciplinary team of project finance, construction and property lawyers across the Australian and Hong Kong offices of Minter Ellison advised Las Vegas Sands on the US company's successful bid for the right to build and operate Singapore's first casino, a project valued at \$6 billion.

The firm has also been active on the domestic front, recently advising the Multiplex/Plenary consortium as successful bidder on the A\$1 billion (\$750 million) Melbourne Convention Centre redevelopment, which will be financed as a PPP. Previous PPP experience included the A\$250 million Royal Women's Hospital development, in which the firm served as counsel to the Department of Human Services.

Although noted lawyer Peter Machin is no longer with Minter Ellison, the team retains several well-regarded lawyers such as Fred Tinsley.

Key contact partners

Fred Tinsley
Keith Rovers
Andrew Venables

Henry Davis York

Henry Davis York's banking and finance group covers project financing and leverages off its strong relationships with banks and funds houses. The two main experts are partners Ben Emblin and Simon McSweeney.

Among recent highlights, the team recently acted for Gresham Property Funds Management as a mezzanine lender to the A\$172 million (\$125 million) Portside Wharf project in Brisbane, and advised on the construction, leasing and concession arrangements associated with the build-own-operate-transfer financing of the Auckland Arena in New Zealand.

Key contact partners

Ben Emblin
Simon McSweeney