

Send money to Greece? Have you lost your marbles?

AUSTRALIA has some very rich Greeks. Many have built fortunes from nothing in a generation or two. So they might balk at a bold request from the mother country: send cash to rescue Greece from its debt crisis.



Shopping centre mogul Con Makris (L) is worth \$1.07 billion. Former chief of Jubilee Gold Mines, Kerry Harmanis is worth \$500 million.

No way, says Peter Kazacos, the son of Greek immigrants who has made his millions in Australia as an IT entrepreneur. He gives a lot to charity but says he will not throw good money after bad.

The Greek parliament's president, Philippos Petsalnikos, says wealthy Greeks around the world could contribute to a fund to slash the nation's euro 300 billion (\$A454 billion) debt.

Many of the seven million members of the Greek diaspora have made fortunes in Australia, the United States, Britain and South Africa, so successful individuals could contribute to a fund headed by "a personality of broad public appeal beyond party politics",

cialist party PASOK. The Herald cast the net wide for potential

latest BRW Rich 200 list. We got one reply - in the negative.

Mr Kazacos owned 20 per cent of Kaz Computing when he sold it to Telstra in 2004 for \$333 million, and he is building a new IT and telecommunications venture, Anittel. He knows how quickly money can be made, and lost.

"If you were going to contribute to something like that, you'd have to be comfortable they knew how to solve the crisis," he said. "I'm not sure that's the case."

It's not that he lacks generosity. Mr Kazacos and his Greek-born wife, Vicki, run the Kazacos Foundation. "We focus

on providing money to areas where we can see it actually grow rather than be consumed," he says.

There's an Aboriginal entrepreneurship project in the Southern Highlands and they're about to launch a local version of the micro-loans concept for the disadvantaged. Greece, he says, is not such a solid bet with its poor governance and self-interested politicians; a questionable work ethic; a failure to live up to its responsibilities since joining the European Union; and a huge black economy in which "no one's paying the right amount of tax".

The Greek government might try knocking on some other doors in Australia. There's Kerry Harmanis, former chief of Jubilee Gold Mines. He quit working as a lawyer to go prospecting in Western Australia in 1979. He paid his way by running a seafood van for a few years. Now his personal fortune is valued at \$500 million. We could not reach him yesterday. Nor did we get a call back from Mark Bouris, the kid from working-class Punchbowl who founded Wizard Home Loans and now hosts The Apprentice Australia on Channel Nine.

The shopping centre mogul Con Makris was out of the country. Nick Paspaley, at the head of the pearling family and its \$536-million fortune, was busy in meetings. George Kailis, from the family that found its fortune in fish, was busy, too.

As was Costas Anastasiadis, the young founder and CEO of the restaurant chain Crust Gourmet Pizza. The Greek government may have better connections.

Article from The Sydney Morning Herald

WEALTHY GREEK AUSTRALIANS

- Kerry Harmanis Personal fortune: \$500m.
- Con Makris. Combined fortune: \$1.07b.
- Theo Karedis estimated fortune: \$356m.
- Nick Paspaley head of the \$536m pearling family.
- Costas Anastasiadis fortune: \$39m.

SOURCE: BRW

says Mr Petsalnikos, a prominent member of the governing so-

benefactors among rich Greek Australians, who include six members of the

Greece urges expatriates to help cut its debt

Piling the pressure on Greece to put its economic house in order, the EU monetary affairs commissioner, Olli Rehn, flew into Athens today amid speculation that eurozone officials are crafting a €25bn rescue package for the country. Rehn's visit, the first by the famously austere Finn since he assumed the post, came as Athens raised the prospect of turning to rich Greeks abroad for help in containing a debt crisis that has rocked the EU, rattled markets and undermined the euro.

Philippos Petsalnikos, who heads the Greek parliament, said the wealthy diaspora could contribute to a "support fund" established for the sole purpose of slashing Greece's €300bn debt and the union's biggest budget deficit. Members of the 7-million strong expatriate community have made fortunes in real estate and finance in Australia, Britain and South Africa and are among the biggest financial donors to leading politicians in the US.

"Such a fund could work through individual voluntary contributions and be headed by a personality of broad public appeal beyond party politics," said Petsalnikos, a prominent member of the governing socialist Pasok party.

The politician made the suggestion as investor fears grew over the government's ability to cut the country's deficit from 12.7% of GDP to 8.7% by the end of the year.

To make good its pledge, the cash-strapped administration will need to sell €53bn of debt, the equivalent of 20% of GDP, according to analysts. Athens is poised to issue a 10-year bond, its second debt sortie this year, to raise the estimated €20bn required to cover maturing debt in April and May.

The prime minister of Greece, George Papandreou,

who inherited the crisis when he assumed office four months ago, has announced that the socialists will reduce the deficit to below the permissible EU level of 3% by 2012. But with the Greek economy contracting by 2% last year – a worse than expected rate because of recession – an EU monitoring team gave a grim assessment of the nation's fiscal health after a three-day visit to Athens last week. Without radical austerity measures to cut costs and raise revenue, the team – which incorporated inspectors from the European commission, European Central Bank and the International Monetary Fund – said that the government would fail to reach its stated targets.

Under pressure from EU peers and amid market speculation, which has seen Greek borrowing costs soar, the socialists have announced cuts that have ranged from freezing civil service wages and recruitment to slashing bonuses and raising consumer taxes and retirement ages.

However, the entire Greek media was under no illusion that Rehn would use his visit to convince the government of the need for tougher policies. The mass-selling Eleftherotypia newspaper quoted the eurogroup chairman Jean-Claude Juncker as saying that Greece must not only "take additional actions ... [but] must understand that the taxpayer in Germany, Belgium or Luxembourg isn't prepared to correct the mistakes of Greek fiscal policy".

The French finance minister, Christine Lagarde, following a similar line, told Europe 1 radio station today: "Greece won't be allowed to sink on the condition it respects its commitments to stabilise its budget."

The extra measures being considered include an increase in VAT, currently at 19%, a levy on luxury goods,

alcohol and tobacco, a further increase in a new fuel tax, and more spending cuts. The government also faces pressure to cut civil servants' "14th salary" – a highly symbolic payment that is held back as a holiday bonus to offset low public sector wages. So far Papandreou has managed to skilfully change the terms of the debate, persuading Greeks of the need for the belt-tightening despite being voted into power with a very different agenda.

But whether the country will tolerate yet more austerity policies is far from sure. Powerful unions, which last week organised a general strike to oppose the measures, say the abolition of the 14th salary would be seen as "an act of war".

"If these measures are enforced, unemployment will skyrocket. Our country will enter a massive recession and unemployment will reach a Europe-wide record," said S-tathis Anestis, spokesman for GSEE, the country's biggest union. Speculation yesterday suggested that, in exchange for the €25bn in assistance, Greece had come under pressure from Germany to purchase Eurofighter jets for its air force. At the request of the German chancellor, Angela Merkel, Papandreou will hold talks in Berlin on Friday, reportedly to discuss what form a rescue package might take. Yesterday Merkel said that the euro was facing "the most difficult phase since it was created", citing "high Greek deficits and lost credibility". She stressed the need to tackle the causes of Greece's problems and denied German media reports that her government is quietly setting aside provisions for a Greek bailout.

Article from The Guardian