

THE TECH COMPANY THAT DUG IN

STUART MCKINNON

The owners of a Perth-based super computing company are determined to remain an Australian entity as they embark on a \$26 million initial public offering ahead of an ASX float next month.

While Australia continues to suffer from a technology talent and ideas drain to global hubs like Silicon Valley, DUG Technology founder Matt Lamont said the company liked being Australian.

“Our R&D is in Australia, we have a big computer centre in Australia, we are very Australian and that’s working very much in our favour,” he said.

“There were opportunities to list elsewhere but we were very keen to list on the ASX.”

The fast-growing DUG operates four supercomputers that are the greenest in the world and also among the biggest.

Data rooms in London, Kuala Lumpur, Houston and Perth service more than 750 clients across 36 countries. While its focus to date has been on running the complex algorithms used to help analyse seismic

data for clients in the oil and gas sector, the company’s high-performance computing solutions have almost endless applications. More recently, DUG has been working on projects involving bushfire and climate modelling, processing data for the International Centre for Radio Astronomy and working with scientists to find a new DNA test for COVID-19.

Despite a soft market for ASX floats, DUG’s IPO is expected to be well supported given its already solid business base, its patented software and hardware solutions and strong growth profile.

“This is about raising money in order to expand our business and grow the computer side just to keep up with demand, it isn’t about the owners selling down,” Dr Lamont said.

Founded in a backyard shed by Dr Lamont and Troy Thompson in 2003, DUG now has 350 employees on four continents.

“When we started this business, we just wanted to do really great technology and run things off big computers,” Dr Lamont said. “It wasn’t about building a big business, it was

more about enjoying ourselves and enjoying our science.”

As the company grew, the pair realised they needed a bigger research and development team to be world-class.

“So it all just sort of organically grew over the years and when we saw opportunities, we took them,” Dr Lamont, pictured, said.

DUG wants to make its patented green data centres even more environmentally friendly by embracing wind and solar power. Its computer rooms already save about 46 per cent in power bills compared with standard data centres by submerging hardware in an oil-like fluid.

DUG has named iiNet founder Michael Malone and former KPMG partner Mark Puzey as non-executive directors. Former WA chief justice Wayne Martin is chairman.



Do



It's all stops to Ellenbrook

JOSH ZIMMERMAN

A contract to build five train stations on the Morley-Ellenbrook line will be awarded by November, with the McGowan Government today unveiling a plan for the \$1 billion project.

Building the stations and laying a 21km track connecting Ellenbrook station to an upgraded Bayswater station is expected to create 3000 jobs over the life of the project, which has received \$500 million in Federal funding.

Besides Ellenbrook, new stations will be built at Whiteman Park, Malaga, Noranda and Morley.

It is expected there will be nearly 12,000 daily passenger boardings on the new line from

the day it opens — it is scheduled to be finished by mid-2023 — with that number swelling to more than 18,000 over a decade.

Transport Minister Rita Saffioti said the new line, first promised by former premier Colin

Barnett before the 2008 election, would service a fast-growing population corridor to Perth's north and allow travel



between Ellenbrook and the CBD in just 30 minutes.

But she stopped short of guaranteeing it would be delivered within the current \$1 billion budget.

"We're working to the budget that we set of around a billion dollars but we'll be releasing the final budget at the time of last contract signing," Ms Saffioti, pictured, said.

"We've been very careful in this market to negotiate the best outcome we can with the contractors."

The Ellenbrook Alliance (CPB Contractors and Downer EDI) and MELconix Consortium (Laing O'Rourke Australia Construction) have

been shortlisted as the two preferred proponents, with the contract to be awarded this year.

The McGowan Government also announced today it had awarded the \$400 million Tonkin Gap contract, bringing forward construction of the project — which is majority Commonwealth Government-funded — to begin in September.

The Tonkin Gap Alliance (BMD, Geoprou Group, WA Limestone, B&E and GHD) will work with Main Roads and the Public Transport Authority on the major upgrade, which will widen Tonkin Highway to three lanes between Dunreath Drive and Collier Road.

It includes five new bridges

and a cycle path, as well as rail-enabling works for the Morley-Ellenbrook line including underpasses and dive structures that will allow trains to travel along a stretch of the Tonkin Highway median strip.

Ms Saffioti said when completed, Tonkin Gap would shave six minutes off the morning commute for Tonkin Highway users and 11 minutes off the evening trip back home.

As revealed in The Sunday Times, the Federal Government has also invested an additional \$233 million to fast-track road projects across WA, including duplication of the Bussell Highway and upgrading Exmouth Road and Toodyay Road.



DUG Technology
managing director
Matt Lamont.

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Global economy now looking worse

Two months after dire predictions of the steepest recession in almost a century, the International Monetary Fund will release new global economic forecasts this week that will probably look even worse.

Officials at the Washington-based fund have warned a revised outlook due on Wednesday might feature a more pessimistic

view than in April. Back then, they said the "great lock down" caused by coronavirus would force a global contraction of 3 per cent this year.

A gloomier forecast might reflect their assessment of the severity of damage caused by the widespread shutdown.

Any glimmers of hope the IMF can impart may channel opti-

mism that the worst of the outbreak has passed in some countries, allowing them to ease restrictions.

That would chime with purchasing manager indexes from Japan to Europe to the US, due tomorrow, all of which are expected to show further improvement in sentiment and activity from historic lows.

Central banks cut \$US offers

Major central banks in Europe and Asia are scaling back their offers of US dollars to lenders in a sign of confidence that the pandemic's grip on markets is loosening, even if the economic pain persists.

The European Central Bank, the Bank of England, the Bank of Japan and the Swiss National Bank said they would cut the

frequency of their seven-day dollar operations from daily to three times a week starting on July 1. Operations with 84-day maturity would continue to be offered weekly, they said.

Massive liquidity injections have since helped ease strains, and ECB, BOE and SNB seven-day dollar operations have been almost at zero since mid-May.