

# HBR

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THE HUNTER

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- Sandra Lindsay, Muso's Corner.



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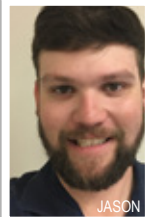
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 UNLEASHING POTENTIAL



Innovation is one of the keys to success in modern business and this issue includes a feature on this important topic starting on page 40.

Whilst innovation has been a hot topic on the lips of business leaders and politicians for many years, the Hunter Region is

increasingly putting words into action and building a reputation as an innovation hotspot.

Newcastle in particular has a wide range of new facilities and initiatives in place to encourage local innovation, with many more in the construction and planning stage.

As exciting as all these measures are, an even more exciting change is that of attitude by the broader business community, organisations and individuals across the region. Innovation is no longer seen as the domain of a small sector. Innovation is now not only being discussed extensively, but becoming an integral part of planning and most importantly being put into action. There are also levels of collaboration not previously seen.

Newcastle has all the ingredients to be a focal point for innovation – a manageable size, a strong local university, good infrastructure, great lifestyle and much more.

With more and more of the region pulling together we certainly have the very real potential to fulfil these dreams and become an internationally renowned centre of innovation excellence.

\*\*\*

In another ongoing subject, it was great to see some progress in reducing tax rates for businesses up to \$50 million pa revenue to make us more competitive in the global marketplace but much more needs to be done in the area of tax reform.

We still need politicians with the foresight and courage to really grab hold of tax reform and make the changes that will benefit the whole country.

There are simply too many taxes, including some that simply make no economic sense in terms of gaining revenue for Governments with the minimum of damage to the economy. Many compliance costs are excessive and more steps need to be taken in simplifying tax systems.

I know our major parties are scared to make major changes in fear of presenting a political target, but the time is well and truly past for a major overhaul to improve our competitiveness and secure a stronger economic future for all Australians.

**Garry Hardie**  
Publisher & Editor

## COMING ISSUES

### May

- Business Technology
- Sales & Marketing

### June

- Training & Education
- Mining & Energy Update
- Health & Wellbeing
- Business Planning & Strategy

### July

- Insurance & Risk Management
- Leadership & HR
- Newcastle Renewal



# HBR

Hunter Business Review

*HBR is essential reading for anyone wanting to stay informed on local business news and issues that affect business.*

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## Supercars fast tracks city upgrades

Newcastle City Council will undertake a comprehensive public works program in the city's east end to be completed in time for the Newcastle 500 Supercars event in November. Councillors on 13 March voted in favour of the work.

The program, valued at \$8.8 million, includes renewal of roads, footpaths and kerbs throughout the precinct, renewal of drainage and water mains, widening of a key footpath bottleneck along the Newcastle Foreshore and the commencement of activities highlighted in the Foreshore Plan of Management which was approved by Council in 2015 after extensive public consultation.

Newcastle Lord Mayor Nuatali Nelmes said each project within the works program was either overdue or had already been planned and budgeted for over the next few years.

"This is a chance to fast-track scheduled infrastructure upgrades and put overdue projects in the east end of the city firmly back on the agenda," she said.

"Completing them in a single, short timeframe means we will reduce the long-term disruption to residents and businesses. It also significantly reduces the overall cost to rate payers. In the lead-up to the event, roadworks will be undertaken by Supercars to ensure roads within the race precinct are in top condition. All changes to roads required by Supercars will be paid for by them.

Ms Nelmes said those roadworks presented an opportunity to complete vital council work at the same time.

"Shortly after Supercars approached us about the possibility of hosting a race, we realised it was more than just a fantastic opportunity to boost the local economy and showcase Newcastle to a global television audience," she said.

"Our works program includes the reconstruction of Newcastle's first street, Watt Street. This work was due in 2009 but is not scheduled into the works program for another few years. It is a piece of Newcastle's history and it is fantastic to see this work scheduled for completion."



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## Final stage in steelworks remediation underway

With the final phase of remediation at the former BHP steelworks site at Mayfield now underway, the Hunter Development Corporation (HDC) says Newcastle can look to future employment generating uses for the site.

HDC CEO Michael Cassel said the project was not only about good environmental outcomes, but also about economic diversification and employment generation.

"This is the final stage of an enormous remediation program that has taken a decade and cost more than \$100 million," Mr Cassel said.

"Bringing to a close one of the biggest and most important remediation projects in Newcastle's history will be a huge achievement for the local community, and a significant milestone in its history.

"When the remediation is complete we can move ahead with new general industrial employment-generating uses for the site and a bright future for our local community," Mr Cassel said.

Following a competitive process HDC awarded the \$21 million contract to Hunter-based company Daracon Pty Ltd for the

remediation of the site's final 52-hectare parcel.

Work on this final stage of the remediation will take place over a 30-week work program and support 60 jobs.

The project involves large scale contouring and capping, and the installation of extensive drainage at the site.

The funding for the entire remediation project has come from a fund set up by BHP when it handed the site over to the state in 2004.

When the works are complete in the second half of 2017, the entire 152-hectare site will be remediated, meeting Environment Protection Authority requirements and allowing the site to be reused.

Future development will need to be consistent with the site's industrial zoning and the long-term lease of the Port of Newcastle which occupies the adjacent 90-hectare port-side and 10-hectare Intermodal parts of the site.

The Hunter Development Corporation recently received a NSW Premier's Award in the environmental category for its remediation work at Mayfield and Kooragang Island.

## Whistleblower Support Program

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## Defence manufacturer to move into Williamtown Aerospace Centre

An innovative Tier 2/Tier 3 Defence manufacturer has announced it will establish its NSW Operations Business hub at the Williamtown Aerospace Centre. The REDARC Group's Hummingbird Electronics, will be located in Building E within the Williamtown Aerospace Centre and is due to be completed in June 2017, with occupancy scheduled shortly thereafter.

REDARC Group provides a full electronic design and prototyping capability, including electronic product design & manufacture. They also offer fully integrated manufacturing and assembly and whole of life support. Engineering services include vehicle battery power management, tracking, sensing and control, health usage monitoring systems (HUMS), management and wiring support.

REDARC was named Telstra Australian Business of the Year in 2014. REDARC is ISO9001 and ISO14001 certified and was awarded Deloitte Technology Fast 50, 2003, 2011, 2012 and 2014. Hummingbird have been a recipient of the Hunter Region Business Excellence Awards on several occasions and was purchased by REDARC in early 2015.

WAC Director, James Garvey commented, "We are pleased to welcome REDARC, awarded as one of Australia's fastest growing firms to Technology Place at the Williamtown Aerospace Centre – they hail from South Australia. REDARC is implementing serious plans to expand their Defence related business. Coupled with the world leading Nelson Bay based

exporter Hummingbird Electronics, we have one of Australia's top growing firms moving into the estate. The Williamtown Aerospace Centre is proving itself as Australia's premier defence technology estate with mature and growing firms like REDARC establishing at the precinct.

Managing Director and owner of REDARC Group, Anthony Kittel commented, "Establishing our NSW base by relocating Hummingbird Electronics to the Williamtown Aerospace Centre is a key part of our Strategy to significantly grow our Defence business by 2020. We are delighted to be located in the defence technology estate along with the high quality Defence businesses currently based in the precinct".

The next Building "F" Foxtrot is currently gaining development approval and is available for lease now with occupancy from 2018.

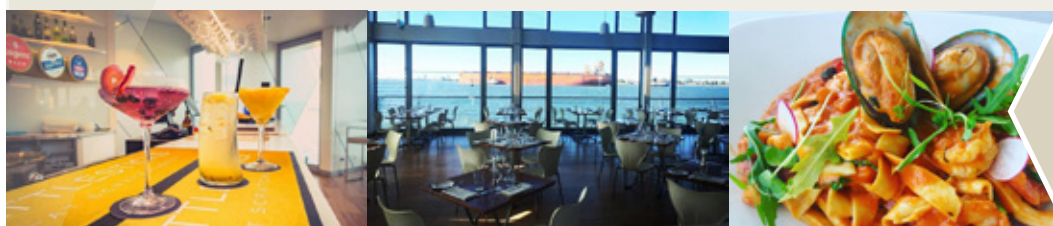


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## Stockland Green Hills reaches major milestone

On 27 April, Stockland Green Hills will unveil the first stage of its \$412 million redevelopment, which will include more stores, more services and better access for customers.

As part of this first stage opening, Stockland Green Hills will open four brand new stores: Cruise Travel, L'Amore Nails, Blooms The Chemist and Toto Sushi. The first stage opening will also see the return a number of favourites that will come back bigger and better, including MyHouse, The Reject Shop, Traditional Medicine, Mister Minit, Newcastle Permanent and the full service Westpac Bank branch. Best&Less, Eyecare Plus, Just Cuts and NIB will also be relocated into the new northern mall along with the CR8 Children's Play Area.

Stockland will also deliver a number of key access improvements for customers by the end of April, including a new centre entry near Best & Less and a direct access pedestrian link to the shops from Mitchell Drive and the bus stop. The centre will also open almost 300 additional new car parking spaces with Park Assist.

Upon completion in mid-2018, Stockland Green Hills will more than double in size to around 74,000 sqm. The new centre will feature the first new format David Jones department store in the Hunter, a new 5,900 square metre Target discount department store with innovative store design, a new 900 seat Hoyts cinema and around 225 tenancies, including JB Hi-Fi and Harris Scarfe. The centre will also include a vibrant new dining and entertainment precinct that will be the biggest and best in the region.

The Stockland Green Hills development is estimated to generate more than 2,285 jobs – 1,350 jobs during construction, 1,250 direct, new, full time jobs in retail, customer service and hospitality and an estimated 1,200 indirect jobs for local suppliers and service providers within the regional economy.

## 2017 Hunter Manufacturing Awards officially open

Entries for the 2017 Hunter Manufacturing Awards were officially opened on 5 April at the premises of the 2016 Manufacturer of the Year R&R Murphy.

The Awards have a wide range of categories and are open to manufacturers based in the Hunter, Central Coast or Mid North Coast. They present a wonderful opportunity for local manufacturers.

Past winners and finalists have reported that the Awards have provided a significant boost to their business in terms of marketing value, employee enthusiasm, confidence in their business and many other benefits.

The registration period is from 5 April to 14 July and the nomination period is April 5 to 18 August.

The Awards will be presented at a special function on 20 October at Wests Newcastle.

**For further information on how you can provide your manufacturing business with a boost, please visit [www.HMA.org.au](http://www.HMA.org.au) or phone 0438 242 899.**



Rod Murphy of R&R Murphy Downer Rail Executive General manager Business Development Brett McLennan at the 2016 Hunter Manufacturing Awards

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## Global CRC for High Performance Soils

A University of Newcastle (UON) led Co-Operative Research Centre (CRC) bid has attracted \$39.5 million from the Government to establish a ten year global CRC for High Performance Soils (CRC-HPS), announced by Minister for Industry, Innovation and Science, Senator the Hon Arthur Sinodinos AO.

The CRC-HPS will bring together 42 partners spanning industry, government, research, not for profit and business sectors to help bridge the gap between soil science and farm management. The investment from government will be supported by more than \$136 million in contributions from industry and other partners (cash and in-kind) over ten years.

Deputy Vice-Chancellor (Research and Innovation), Professor Kevin Hall, said the CRC-HPS would address critical barriers to high performance soils by developing real solutions, with a focus on how these solutions could be adopted throughout the farming community.

"The Australian agricultural industry is worth \$48 billion and feeds 60 million people, however our soils are highly vulnerable and productivity at risk due to increasing soil degradation, the rising cost of nutrient inputs and competing land use."

Aimed at overcoming the most complex soil management issues, the CRC-HPS will integrate research across diverse fields including soil science, big data, sensor technology, nanotechnology, environmental science, social sciences and agricultural and farm management.

Professor Hall said the successful bids attested to UON's position as a global leader in collaborative, high impact research.

## Entries open for Lake Macquarie business awards

The entries are now open for the 2017 Lake Macquarie Business Excellence Awards and close on 22 May. Over that past five years the Awards has attracted more than 530 entries and produced 50 different winning businesses across the city.

The 2017 Lake Macquarie Business Excellence Awards were launched on 1 March at the Lake Macquarie Business Network breakfast. The three Major Award Winners from 2016, including Amber Moncrieff of Hunter Plastic Surgery, Jennifer Holland of Throat Scope and Nathan Franks of Dynamic Business Technologies, came together at the event to discuss the topic A Winning Formula: Passion, Purpose and Persistence.

Amber Moncrieff, 2016 Lake Macquarie Business Person of the Year, explained that the Lake Macquarie Business Excellence Awards are a valuable experience for all business owners.

"The Lake Macquarie Business Excellence Awards are fantastic on many levels; there is a certain benefit to the focus and discipline required when it comes to writing the submission and presenting tangible achievements and the promotional opportunities that are available to those who become finalists and/or winners are endless. The Awards are also a great tool in building business credibility and

solidifying external relationships. For Hunter Plastic Surgery, one of the most important and lasting benefits of the Awards has been the chance to connect with other local businesses that are just like us – focused, service driven and high-energy."

The 2017 Lake Macquarie Business Excellence Awards feature 12 award categories and three major awards. The award categories focus on a range of business functionalities including branding & marketing, business practices, workplace culture, training and development, customer service, innovation, entrepreneurship and sustainability. In 2017 the Awards will also celebrate businesses that have embraced new and emerging technologies with the introduction of the Excellence in Digital Technology Award category.

Winners of the 2017 Lake Macquarie Business Excellence Awards will be announced at the Awards Gala Dinner, which will be held on 22 July 2017 at Belmont 16s. Nine of the winners announced at the event will then have the opportunity to showcase their achievements on the State stage, thanks to the partnerships that have been established with the NSW Business Chamber Awards and the NSW SafeWork Awards.

To enter the 2017 Awards, businesses must be based in or have an operation in the Lake Macquarie LGA.

**Visit <http://lmba.com.au/enter-awards/> for more information on each category and to complete the entry forms.**

## \$365,000 in STEM education grants to Hunter schools

To help improve STEM skills in the Hunter, 54 Hunter schools will receive a ME Program Grant to implement science, technology, engineering and maths activities in 2017 while more than 100 schools state-wide are implementing the ME Program's iSTEM course.

Following an expression of interest process, RDA Hunter's ME Program recently awarded schools in the Hunter funding to implement hands-on activities that will encourage students to deepen their STEM skills.

Activities including iSTEM, StarLAB Mars Rover Kits, STEM Reactor Biotechnology Kits, iSTEM, ME3D Printers that require students to participate in problem and project based learning and compete in national challenges, are being funded by RDA Hunter's ME Program as part of the 2017 ME Program STEM Grant Program.

"We had a record number of schools apply this year and across the Hunter there are now 54 schools that we are directly supporting and over 100 schools outside the Hunter who are implementing iSTEM," said Dr Scott Sleaf, Director of RDA Hunter's ME Program.

"In this round of funding \$185,000 in grants and equipment will be distributed to 54 schools, up from 47 at the start of 2016 and, 24 in 2014-2015. In total \$370,000 will have been allocated to local schools in direct grants and equipment in the past 12 months. Since 2010 over \$4.2 Million has been invested through our Schools/Industry partnerships."

"We are also very pleased with the success of iSTEM which will be taught in over 130 schools in 2017. iSTEM is our state-of-the-art stage 5 school subject that embeds mechatronics, aerodynamics, engineering, 3D CAD/CAM and motion modules to contextualise learning for students and teachers. It presents maths and sciences to students in a hands-on and interesting way," continued Dr Sleaf.

"The ME Program has revolutionised the way STEM subjects are taught in participating high schools, significantly improved participation rates at senior school level and generated partnerships between schools and industry." Said Todd Williams CEO RDA Hunter.

"We are delighted that our ME Program is contributing to a change in the landscape of education and industry in Australia. iSTEM is nationally significant. Its impact in skilling students for their future in a technologically advanced economy can't be underestimated," continued Mr Williams.

The ME Program marries the needs of industry with the education system by contextualising curriculum, providing niche professional work placement, incorporating cutting edge technology and implementing problem based learning principles to produce skilled and motivated graduates - and the results have been outstanding.



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## Grants for Wingham and Gloucester

MidCoast Council has announced that the towns of Wingham and Gloucester both received a \$50,000 grant in the NSW Government's \$1 million Future Towns Program.

The aim of the Future Towns Program is to support regional towns and their small businesses to become digital ready and consider innovative ways to undertake place activation in main streets; support economic growth through business facilitation and mentoring and; create the environmental conditions for economic growth.

Wingham and Gloucester were two of just 20 towns chosen to participate in the program and the MidCoast Council team will now continue work closely with key stakeholders in these communities to get their projects underway.

"We have already been working closely with the Chamber of Commerce in both Wingham and Gloucester to identify key priorities moving forward and we will continue to develop these ideas and projects with the community in the coming weeks," said Deb Tuckerman, MidCoast Council's Manager Growth, Economic Development and Tourism.

In the early discussions, it has been identified that Wingham's preferred Future Towns project is 'place activation' in the CBD, which enable the community to develop a place-making strategy for the town, develop a priority action list and undertake these initiatives to make the town centre more vibrant.

With over 60 Gloucester businesses taking part in a business expansion survey last year which identified a need for training in digital marketing campaigns and online tools, Gloucester's project preference is 'digital readiness', which will involve implementing digital training programs for local businesses.

## University of Newcastle subjects ranked in world's top 100

Six University of Newcastle (UON) subjects have been identified among the world's best, ranking in the top 100 of the 2017 QS World University Subject Rankings.

UON's Architecture and Built Environment discipline has ranked in the top 50 in the world, for the third consecutive year, placing at 45, up two positions from 2016.

Debuting in this year's prestigious global list, Engineering – Mineral and Mining has ranked at 30 in the world.

Four other subjects – nursing, education, sociology, and engineering (civil and structural) – joined UON's six top 100 rankings in 2017, two more than 2016.

The annual QS World University Rankings by Subject is a comprehensive guide to the world's top universities in a range of popular subject areas. Based on academic reputation, employer reputation and research impact, the rankings highlight the top universities in the world for 46 individual subjects.

Vice-Chancellor, Professor Caroline McMillen, said the QS by Subject results confirmed UON's upward trajectory in global reputation for excellence in education, research and innovation.

"UON is ranked in the top 250 universities in the world and in the top eight universities in Australia for the number of fields of research ranked as well above world standard in the Excellence in Research Australia assessment," Professor McMillen said.

"We are proud that many of our subjects were ranked in the international list, each contributing to UON's global standing as a research-intensive institution with an exceptional record of achievement, and congratulate our hardworking staff in a range of disciplines across the University."

Professor McMillen said UON's performance in the 2017 QS subject rankings also reflected its commitment to creating a better future for its regions through a focus on innovation and impact.

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## Technology focussed dry cleaners overcome disability and become eco warriors

A husband and wife business team has overcome a battle with cancer to emerge as eco warriors in their industry. Jennie and Phil Lyons have turned a Hunter dry cleaning business into a best practice firm using technology and a can do, nurturing spirit.

The Newcastle couple took over Pride Dry Cleaning and Laundry in 2010. In 2012 Phil was diagnosed with an aggressive Sarcoma (cancer). His treatment culminated in 2014 with Phil undergoing a full hind quarter amputation which left him in a wheelchair.

To enable Phil to keep working in the business they had two specially designed, German built, wheelchair friendly machines installed; the only two of their kind in the world.

Phil said he wants his experience to be an inspiration to other people.

"You can adapt your business to accommodate people with disability and you can successfully own and run a business if you have a disability," Phil said.

"Cancer is just a word, not an end," he said.

The couple has not stopped there in introducing beneficial new technology. Pride's Islington store has this month installed the region's first dry cleaning ATM to enable 24/7 self service drop off and collection of dry cleaning.

Jennie is also a director of the Hunter Business Chamber. She said technology and systems are helping Pride to be an eco warrior. The business was part of the Office of Environment and Heritage's Energy Hunter Program. It not only recycles its water and plastics, it reuses the heat from its dryers. The new machinery and practices combined with new staff procedures mean staff have virtually no contact with dry cleaning chemicals.

"We are aiming to have minimal impact on the environment and make our workplace as safe as possible for staff," Jennie said.

"It is rewarding to us and our customers to know our plastics are creating benches for local schools and we are doing their dry cleaning while treading much more lightly on the planet," she said.

The couple said the half million dollar investment is paying dividends on so many levels. Their chemical costs have been cut by 70% and energy costs by 20%.

Pride is the only privately owned local dry cleaner registered with the National Disability Insurance Scheme (NDIS). The business' support for a number of local organisations as well as its support for people on return to work programs saw it win the 2015 Drycleaning Institute of Australia's Outstanding Community Service Award.



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## Scores on Doors is coming to Gloucester

Gloucester retail food businesses will have a fantastic opportunity to showcase the high quality of their business operations as MidCoast Council rolls out the NSW Food Authority's Scores on Doors program.

The Scores on Doors program also gives customers peace of mind when it comes to food hygiene and safety.

Scores on Doors, already operating in the Great Lakes and Manning regions, aims to improve food safety standards and to reduce the instance of foodborne illness in the retail food industry. While Scores on Doors is completely voluntary and businesses can decide if they wish to participate, the program can provide a marketing advantage for participating businesses that comply with food safety legislation.

"Scores on Doors offers businesses a fantastic opportunity to show customers just how seriously they take food hygiene and the results they have achieved by displaying a rating certificate and sticker on their door" says Council's Manager Waste, Health and Regulatory Services, John Cavanagh.

The certificates and stickers on public display reflect the result of the most recent hygiene and food safety inspection. This means that what was previously only known to environmental health officers is now available to diners.

The program will commence with inspections of Gloucester food businesses by Council's environmental health team over the coming months.

"If you see a restaurant displaying the purple and green certificate and sticker you can dine there safe in the knowledge it has met minimum hygiene and food safety standards during the last food inspection" John said.

The rating system of Excellent (5 stars), Very Good (4 stars) and Good (3 stars), all represent various levels of compliance with the Food Standards Code. Council officers inspect businesses and rate their hygiene and food safety standards. The rating includes such things as food temperature control, food prepared in advance of service, food handler hygiene, cleaning and sanitisation and pest control.

Scores on Doors also creates greater consistency in food hygiene inspections around NSW as all councils use standardised inspection checklists which gives greater visibility and transparency of compliance by food businesses.

"We are encouraging Gloucester retail food businesses to contact us for more information and resources to assist in achieving the highest level of compliance and associated Scores on Doors rating" said John.



## Record business investment for NSW economy

The Australian Bureau of Statistics data showed NSW business spending grew by almost 10% to \$29.2 billion last year. Business investment across the rest of Australia in 2016 fell by more than 20%.

Treasurer Dominic Perrottet said the result was a vote of confidence in the long-term strength of a diverse NSW economy.

Housing investment also grew by 5.2% in the December quarter to the highest level on record.

The business investment data follows the recent NAB Business Survey that showed conditions faced by NSW businesses are the most favourable in the nation.



Scoring a Silver medal at the 2016 National WorldSkills Australia competition was just the beginning for two talented young tradespeople named winners of the prestigious BBM Youth Mentoring Scholarship.

Lake Macquarie's Cejay Alsop, and the Central Coast's Matthew Hurley, and are among 16 elite young tradespeople selected to take part in the BBM Youth Support for Skilled Futures Scholarship.

After both winning Silver medals at the National WorldSkills competition in Melbourne last October both men will have the opportunity to further their training and professional development through work experience in the UK.

21-year-old Cejay is employed by DMF Constructions in Lake Macquarie and completed his trade level qualification and apprenticeship in early 2016. He has achieved both a Certificate III in Engineering - Fabrication Trade (Light Fabrication) and a Certificate IV in Engineering (Fabrication) through TAFE NSW and is currently working toward gaining advanced level trade certifications to further develop his skills.

Cejay is now eagerly researching potential construction companies in the UK, with sights set on a placement with a company using advanced manufacturing technologies such as CNC Robotic Welding Technology.

The \$8,000 scholarship program is designed to enhance the participants' career prospects and provide them with invaluable international experience in their respective trades and skills. Typically, awardees spend a minimum of a month in the UK but more often than not stay longer to build their international networks or undertake field trips to other parts of Europe to further their knowledge.

The BBM Youth Support Award for Skilled Futures is recognised as a valuable and prestigious award which acknowledges and rewards excellence in skills. BBM Youth Support became a prominent international pathway for WorldSkills Australia in 2000, when the two organisations first partnered to select and grant young and talented competitors with scholarships to travel to the United Kingdom to participate in a two-week leadership development course.

The Scholarships helps to enhance the career prospects of WorldSkills Australia competitors through a development program offered by Mission Performance. The recipients are also encouraged to seek work placement and take advantage of their overseas experience.



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## Apprentices enter Mining Skills Program

With the solid position of the Hunter's mining industry, local employers have given 28 apprentices the opportunity to kick-start their careers with the award-winning Mining Skills Program at TAFE NSW Muswellbrook.

The 15-week Program is designed for first year apprentices and places a strong emphasis on safety awareness. The Program recently commenced for the 12th consecutive year and covers training in basic hand tool skills across four different trades including Electrical, Fitting and Machining, Metal Fabrication and Welding, and Automotive.

TAFE NSW, Industry and Resources Faculty Director Sonia Liddiard believes the healthy enrolment figures are a key indicator of the strength of the local mining industry and their commitment to providing their apprentices with the highest-quality skills training to ensure they are ready for work on a mine site upon completion.

"The Mining Skills Program is effective because we continually engage a cross-section of stakeholders to ensure we address evolving industry requirements in the course syllabus and ultimately provide the local industry with a job-ready workforce," said Ms Liddiard.

"TAFE NSW takes pride in our close collaboration with council, industry and the community to identify current and future skills in demand, so we can be flexible and responsive to the needs of the Upper Hunter community. This program is just one example of how collaboration with industry can provide positive outcomes for employers, students and the community as a whole."

"This year enrolments in the Mining Skills Program are up 16%. 10 of our 28 apprentices are female and we are thrilled the program continues to attract both male and female apprentices, which demonstrates the local industries commitment to equal opportunity," she said.

The Program continues to capture the interest of industry partners including Hitachi Construction Machinery's Muswellbrook Branch, which recently joined the program as an apprentice employer.

Paul Howard, Apprentice Master at Hitachi Construction Machinery (Australia) Pty Ltd said the company is "always looking to improve the training and development we currently provide to staff. We chose to work with Muswellbrook TAFE and the Mining Skills program to ensure new apprentices are equipped with the best quality training, to instill a confident and job-ready attitude for their first day on site."

"We have three new apprentices who have commenced the Mining Skills Program in 2017, and look forward to continuing this great partnership in the years to come," said Mr Howard.

To support graduates of the Mining Skills Centre and encourage them to advance their career with a post trade qualification with TAFE NSW, the Mining Electrical and Mining Mechanical Engineering Society (MEMMES) has worked with the Hunter TAFE Foundation to establish two annual Scholarships. The MEMMES Scholarships will support one electrical graduate and one mechanical graduate, providing them with financial support to assist them with further education and training.

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# Lets talk with ...

## 1. In a few words tell us about your current role.

I am the Director/Event Maker at Hunter Valley Events. Hunter Valley Events is a leading event management agency specialising in all things Hunter. Events that help to build brands and strengthen teams are our forte. My days are spent working with our team to "bring people together" for our clients – in a 'surprise and delight' fashion.

## 2. How have you reached this point in your professional life?

I was one of the lucky ones who knew which direction they were heading out of the school gate – and I have been on a wonderful journey of Tourism and Events ever since. My first stop was a Tourism Diploma Course at TAFE (no uni courses offered back then!) Next it was retail travel where I quickly learned the art of customer service, attention to detail and how much more the world of tourism had to offer. Hilton hotels were having a heyday in Australia, and a job in their Sydney sales office introduced me to the serious end of hotel town. It was here that I had my first taste of encouraging the growth of corporate business. These were all great foundations, but a little too serious for a 23 year old – so when a dream job came up in sales for the 18-35's tour company, Contiki Holidays – I jumped on the bus (so to speak!) And there began the rest of my life, honing sales & marketing skills, making lifelong friends, and travelling the world escorting travel industry familiarisations – including one to NZ where I met my life partner and now business partner Gus Maher, who was the Sales Manager for Contiki in NZ. A stint in NZ followed working for Contiki's parent company, assisting to promote their tourism acquisitions. Then back across the Tasman to Sydney where the next chapter involved working in a Conference and Incentive Agency, creating reward and recognition solutions for corporations. My skill set developed to a whole new level in the field of creativity, where I found my calling. Organising large scale, high end events in the most amazing cities in the world, for Australia's largest corporations – all while dealing with a number of stakeholders – was something I revelled in. Marriage and children brought me back down to earth and to the Hunter Valley, where a lifestyle of work and family played out nicely – that's what our region offers right! After a time setting up the Business Tourism arm of Hunter Valley Wine Country Tourism, Hunter Valley Events was born to service a market that was growing due to the infrastructure investment in the conference and event venues of the region. Our company has now been operating for over 17 years – and we are still having fun! How did I reach this point...moving to a region, where you know your acquired skills set are needed, to set up a business, is not only something that a lot of hard work over the years gives you the confidence to do – but a just reward for doing so.

## 3. When you're not at work, where can we find you?

At Bar Beach with my family, enjoying our new found lifestyle since moving from the Hunter Valley. I love the outdoors and exercise...oh and eating and drinking the amazing produce in our Region! Of course I've also got a natural passion for events – so any excuse to go to one, I loved going to the Australian Open last year.

## 4. Where do you find inspiration?

A common question asked of an Events Director, as you are basically an ideas bank, for people to draw upon at any time. I keep my antennae up 24/7, there's no such thing as a new idea, and great ideas are the collaboration of found and shared knowledge.

## 5. What advice would you give to someone just starting out in your field?

This wise advice was given to me by my amazing mother – and it certainly has kept me in line over the years;

- The harder you work the luckier you get
- Be careful what you ask for
- Everyday above the ground is a bonus, so enjoy what you do!

# LOUISE MAHER



## 6. What's something most people don't know about you?

I have that number 11 thing that I see everywhere, which started from when I got married on the 11th November at 11.11 am (didn't want to be disrespectful to Remembrance Day) eg; the clock reads 11.11 when I just happen to look at it most days. I think it might be due to the thought that visualising something can make it happen – which is pretty much my philosophy in life and work.

## 7. How would you like to see the Hunter evolve over the next decade?

Those who know me, may have heard this just a few times – Newcastle we need more largescale, world class event spaces, with local infrastructure such as transport systems, hotel rooms and service suppliers to grow and develop to support this important part of our tourism industry.

## 8. What's your favourite Hunter restaurant/café/bar?

We are currently eating our way through all of the restaurants in Newcastle – so ask me again in a year. I've had so many amazing experiences (and so have our clients) over the years in the Hunter Valley, but our family 'special occasion' restaurant is Bistro Molines – Robert & Sally have such a wonderful way of knowing how to spoil you.

## 9. Are you reading anything at the moment?

Just finished the epic, A Little Life by Hanya Yanagihara, not for the faint hearted...so have moved onto something a little lighter in the 7th book in the Clifton Chronicles Series by Jeffrey Archer.

## 10. Do you have a favourite sport or team?

I like listening to my husband and son enjoy their exchange of sporting banter. And I love my newly found party trick (aka yoga pose) of doing a headstand.

## 11. What's the best line from a film you've ever heard?

"You're terrible, Muriel" from Muriel's wedding – makes me laugh, especially at myself, every time!





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## Five things to consider when choosing a business structure

**Kym Butler**

**Butlers Business and Law**

Choosing an appropriate business structure is extremely important when investing, optimising taxation and protecting your assets. If the wrong structure is chosen, this may require a costly restructure at a later date. The most common types of structures are sole traders, companies, partnerships and trusts.

There are five key factors that you must consider when choosing a business structure, or deciding to restructure:

### Is asset protection a priority?

Your asset protection needs will depend on the risk profile of the business and the owners. Identify who the 'at risk' individuals are in your structure. In professional practices, this will usually be the professionals running the business. In other businesses, this will be whoever is taking on the risks. What will happen to their assets if the business cannot pay its debts?

### Will you be working alone, or will the business have multiple owners?

You need to consider how other individuals can enter and exit the business. It is important that you choose a structure that suits the number of owners of the business, and can flex and adapt to later changes. Some structures are only appropriate for individuals, such as a sole trader or discretionary trust. Other structures, such as partnerships or companies, will be able to facilitate multiple members.

### What are the taxation implications?

Each structure has distinct tax implications. Income tax and Stamp Duty are high priorities when initially choosing a structure for a business. Capital Gains Tax is a significant consideration in restructuring.

While it is important to choose a structure that optimises taxation implications, you need to ensure that the choice of structure is not purely motivated by tax avoidance. Tax laws prohibit structures which are only devised for tax avoidance

purposes. To ensure that your chosen structure is upheld by the courts, it must be able to be justified by other reasons, such as asset protection.

### Do you need to split income?

Some structures allow you to split income. This is particularly useful if an owner's partner earns less income, attracting less tax liability. However, if you are providing a personal or professional service, you will need to be mindful of the anti-avoidance personal services income rules. In particular, the ATO have issued warnings regarding the application of the rules to professional firms.

### Do any regulations in your industry or profession affect the structures you can choose?

Some industries can only use particular structures. For example, only a natural person may become a liquidator. The laws that regulate your industry or profession should be the starting point in choosing an appropriate structure for your business.

In order to make an informed decision about the most appropriate structure for your business, you need expert legal and accounting advice. When consulting with your advisors, make sure that you highlight what is most important to your choice and plans for the future.

**For further information call (02) 4929 7002, email [kym@butlers.net.au](mailto:kym@butlers.net.au) or visit [www.butlers.net.au](http://www.butlers.net.au)**



**Kym Butler** is the founder of Butlers Business and Law. He has decades of experience both as a legal practitioner and chartered accountant. He is an expert in business structuring, asset protection and taxation.

## Four red flags that your SME needs some help

(First published in Kochie's Business Builders)

**Allan McKeown,**

**Zoe Wright**

**Prosperity Advisers Group**

More than 60% of small businesses fail within the first three years of starting up. This is an alarmingly high percentage of small business! What are the key red flags you should be alert to as an SME owner to keep you on track and steering your business to success?

### Not planning for taxes

Plan ahead and do not damage your credit rating and reputation. Small businesses make up 65.2% (\$13 billion) of all outstanding ATO tax debt. From 1 July 2017 all outstanding ATO debt greater than ten thousand dollars and at least ninety days overdue will be reported by the ATO to credit reporting agencies. This has the potential to damage your credit rating and reputation, potentially affecting your future borrowing capacity and relationship with suppliers. You should run your business with the mentality that tax debts are just as important as loan repayments. Therefore, always ensure you make payments on



time. If you are unable to meet your tax obligations you would be wise to engage an experienced adviser who will negotiate with the ATO on your behalf as well as help you plan future tax payments.

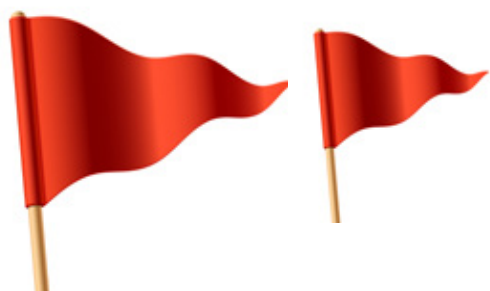
### Limited access to funding

The power of leverage to grow your business. A number of business owners are spreading their business across several banks to leverage more opportunities to borrow. To be able to access these funding opportunities it is a necessity to have up to date records. Cloud-based accounting systems are now making it easier for businesses to have reliable and up to date data available on the go. This allows for business owners to secure funding for growth and to be able to capitalise on low interest rates faster. Furthermore, this assists with negotiating better interest rates on existing funding.



**Owner dependence and failure to delegate**

Can your business run independently of your involvement? Small business owners who dedicate every spare minute and penny to their business may be limiting business growth and setting their own expiry date. The large majority of small business owners continually fail to delegate responsibilities and decision making, making it very difficult for their business to continue to grow and operate without their constant presence. To improve the potential value of your business you need to start delegating more control to your employees and partners. This can prove difficult for owners who have spent years tied to their business but in the long run you will unlock scope to grow and create more spare time. New technologies and cloud based apps can also integrate into your daily business processes to allow you some physical time away while being able to access your people and systems remotely.

**Cash Poor?**

Poor cashflow is the life sentence you want to avoid for your business. There are a number of things to consider when managing cashflow effectively:

- Do you have a large amount of capital tied up in stock and work-in progress?
- Do your customers pay on time?
- Do you pay your suppliers on time? Do you pay them too early?
- Have you reviewed your staff mix and rostering for cost savings?
- Are you paying high interest rates on unsecured loans or credit cards?

A great way to analyse your cashflow - before it is too late, is to start looking at your management reports on a weekly basis, including reviewing your debtors, creditors and stock turn over. This is easier than ever to implement with cloud based and real time data now available for the majority of businesses. Always remember that cashflow is the lifeblood of your business.

These are only four items you should be aware of as a small business owner. To improve your position on any of these factors then seek the help of your trusted business adviser.

**For further information contact Prosperity Advisers on (02) 4907 7222, email [mail@prosperityadvisers.com.au](mailto:mail@prosperityadvisers.com.au) or visit [www.prosperity.com.au](http://www.prosperity.com.au)**

## Hunter ripe to capitalise on \$2.3 billion infrastructure pipeline

**Tim Browne**

**Umwelt Environmental & Social Consultants**

At the opening of the Hunter Research Foundation Centre an update was provided on the Hunter region economic indicators, which is an outstanding source of information for local Hunter businesses. The take home message in the headline indicators was one of optimism and opportunity led by, lower unemployment than NSW average, growth in full time employment, building approvals up and a substantial infrastructure investment pipeline. The opportunities for the region are immense and if realised will continue to put Newcastle and the Hunter front and centre on the National and International stage.

The infrastructure investment pipeline, estimated at \$2.3 billion dollars combined residential and non-residential, provides a once in a generation opportunity to leverage better infrastructure including transport to promote our buoyant services economy. According to the foundation current levels of employment in the services sector is 80%, which has grown 26% over the last decade. Key services include professional, health, administrative, social, arts and recreation. Given that the services sector makes up 80% of our employment the time is nigh to capitalise on existing projects such as the transport interchange, light rail, law courts, NeW Space, the airport and Williamstown upgrade and use them as catalyst projects to garner further investment in the region.

These projects demonstrate to the community that projects can be built and must be coupled with a strategic planning framework that provides the direction for a region or city. Exploring the possibility of 'City Deals' a system that has worked so successfully in the UK should be encouraged. A City Deal is a model of infrastructure funding and delivery that provides opportunity for neighbouring councils to collaborate and agree on infrastructure priorities, increase the value of investment and depoliticise infrastructure funding. One of the key

considerations when prioritising funding in the City Deal model is the ability for the infrastructure to be funded to deliver increased productivity and jobs. Global accounting firm KPMG identify three key areas for investment and funding in the UK example namely transport, housing and regeneration investment. All of these are currently happening right here in the Hunter. Our transport networks are improving, building approvals are increasing and the CBD is going through an extensive revitalisation.

To realise this opportunity we have to be open to new ideas, the public and private sectors must collaborate and work off each other's collective strengths. Vital to this is infrastructure and the funding of infrastructure. Successfully identifying and prioritising infrastructure, funded and built to consolidate ongoing competitiveness and attractiveness of the region for the services sector and unlock areas for future housing will solidify the positivity currently being reported by the foundation and will be good for the economy and good for the Hunter.

**For further information call (02) 4950 5322, email [tbrowne@umwelt.com.au](mailto:tbrowne@umwelt.com.au) or visit [www.umwelt.com.au](http://www.umwelt.com.au)**



**Tim Brown** is a principal environmental planner with Umwelt Environmental Social Consultants with over twelve years of experience. Tim has specific experience in environmental impact assessment and management throughout NSW and Victoria including western Sydney. Tim's project experience encompasses resources, linear infrastructure (roads and power), renewable energy, heavy industrial and contaminated site management.



### CROWNE PLAZA

Crowne Plaza Hunter Valley and Crowne Plaza Newcastle have appointed **Michelle Borkowski** as their new Director of Sales. With a 6 year career in the hospitality industry and a previous finance background, Michelle comes with proven experience and success. In her previous role, Michelle was responsible for driving the Leisure and Meetings performance of her hotel cluster which included four Regional NSW Oaks Hotels & Resorts in Port Stephens and the Hunter Valley.



### HUNTERNET

Hunternet has appointed **Renae Gifford** Project Director. Renae has a proven track record in Project Management, including large infrastructure and industrial projects, along with smaller local projects. She has been working in the Hunter Region for over 20 years, and has had dealings with a number of HunterNet members. Renae has a Bachelor of Environmental Science and Masters of Business Administration. She is also undertaking a Masters in Professional Economics through the University of Newcastle.



### PKF NEWCASTLE

**Rebecca Bagnall** has joined the PKF Newcastle as a Trainee Accountant for the Business Advisory Services team with a background in commerce. Her previous experience include being an Accounts Assistant with Puratos and an Admin Trainee/Customer Service Officer with Maitland City Council.



### HOUSING INDUSTRY ASSOC.

The Housing Industry Association (HIA) has elected **Sean Yeomans** as the Hunter Region President for the next two years. Sean is the Director of Kitchens for Living, a local kitchen designer, manufacturer and joinery company. Sean sat on the HIA Hunter Regional Executive Committee for a number of terms and volunteered his time to serve on both HIA national service committees and the Hunter Regional Executive.



### DAVIES COLLISON CAVE

Davies Collison Cave Patent and Trade Mark Attorneys have appointed **Lauren Eade** as a senior associate. Lauren is based in Newcastle and has over 15 years' experience helping businesses across all industries with their intellectual property needs. She is committed to tailoring intellectual property protection and enforcement strategies to meet commercial objectives and resourcing requirements, and is looking forward to working in Davies Collison Cave's Newcastle office.



### PKF NEWCASTLE

**Rachel-Alyce Foster** is the new Senior Accountant in the Superannuation team at PKF Newcastle, bringing with her over seven years' experience from Bentleys NSW, Titan Partners, ESV Chartered Accountants and Bishop Collins.



### PKF NEWCASTLE

**Victoria Dawes** has joined PKF Newcastle as a Senior Accountant in the Business Advisory Services team. She has over seven years' experience from firms such as Maxim Accounting and nib Health Funds. Victoria loves being a part of the community and is in her third season of playing AFL for Newcastle City.



### HOUSING INDUSTRY ASSOC.

**Grant Williamson** has been elected as the Hunter Region Housing Industry Association (HIA) Vice-President for the next two years. Grant is the Managing Director of Winspace Constructions, a company that specialises in home extensions and renovations. Grant sat on the HIA Hunter Regional Executive Committee for a number of terms and volunteered his time to serve on both HIA national service committees and the Hunter Regional Executive.

**We want to hear about your new business appointments.**

**Let us know about your people!**



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## Decoding Real Estate Speak

**Steven Dick**

**Raine & Horne Commercial Newcastle**

Read almost anything about the real estate market and at some point you may find yourself scratching your head, thinking, "Wait, what's that mean?" Like anyone in a specialised field, real estate agents have developed their own vocabulary, and sometimes it takes a bit of decoding.

I'm not talking about the poetic licence you see in some real estate listings (after all, most of us have little trouble working out what "cosy" really means). It's the real estate terms drawn from the world of economists, financial brokers, accountants, solicitors, engineers and architects that sometimes lead to confusion.

To help demystify common real estate lingo, let's take a look at my latest wrap-up of Newcastle's residential, commercial and industrial real estate markets, pausing to explore some of the terminology:

### Residential

Strong clearance rates exist across the board in Newcastle, with agents having difficulty determining what a property will sell for as prices are rising fast due to strong demand. The fear of oversupply of apartments is unwarranted, as in the long run the sizable aging population will dominate this sector.

**Clearance rate** – The percentage of properties sold at auction in a given period of time. A clearance rate greater than 60% shows there is high demand for properties, which makes it a seller's market. In the second last weekend of March, the clearance rate in Newcastle was 78% for residential properties.

**Oversupply** – When the number of properties on the market outstrips demand and there are not enough buyers. Oversupply leads to falling prices.

### Commercial

There has been a shuffling of the decks in the commercial property sector, as existing tenants relocate within the area. As predicted, tenants are looking for quality space on the edge of the city to avoid the looming light rail disruption. Vacant or partly leased city buildings are still in very high demand, with fully leased investment properties attracting record low yields.

**Commercial property** – Properties used for office and retail purposes.

**Investment property** – Units or buildings leased to tenants.

**Yield** – A measure of the annual income received for an investment property. Here's how it's calculated: from the annual rent, all non-recovered outgoings (the landlord's payments such as council and water rates, insurance, land tax, non-structural maintenance, fire compliance and management) are subtracted. That figure is divided by the property's purchase price (not including purchasing costs), and then it's expressed as a percentage. Currently, average commercial yields in Newcastle are x%.

### Industrial

In the industrial property sector, vacancy rates are lower than this time last year because of lower unemployment. There is still some potential to be absorbed in properties greater than 5000 square metres, but properties up to 500 square metres in size are leasing quickly if priced correctly. The big movement is in owner-occupied industrial strata units, with more than a 15% price increase for quality, well-located stock in the last 6 months. Fully leased investment properties up to the \$5 million price range are attracting a strong level of enquiries from buyers.

**Industrial property** – Buildings used for warehousing, processing or manufacturing.

**Vacancy rate** – The percentage of a city's or region's total floorspace in a given real estate sector that is available for lease or



sale. For instance, Newcastle's industrial property vacancy rate is x%, which means x% of all industrial space in the city is currently available to lease or purchase.

**Potential to be absorbed** – Vacant space that is available to be leased or sold.

**Strata units** – Units that can be purchased separately by buyers who then each have ownership of an individual unit but share ownership of the rest of the property – such as foyers, grounds and parking spaces – through a body corporate. These units are usually the result of a developer purchasing a block of land, constructing a large building, then dividing it into smaller portions.

The message to take away from this report once it's been decoded is that the Newcastle and Hunter property markets are showing strong results and improving prices in all sectors. This is in part due to the state of the local economy, with very low unemployment, increased spending by the coal companies and growth in sectors such as health services.

It's no wonder the region has become the darling of the major tabloids and property investment magazines – our prices and our lifestyle are superb reasons to move to and invest in the region.

**For further information contact Steven Dick on 0425 302 771, email [steve@rhplus.com.au](mailto:steve@rhplus.com.au) or visit [www.rhplus.com.au](http://www.rhplus.com.au)**



**Steven Dick** has had a varied background with experiences in geotechnical engineering to hospitality and catering. He also represented at NBL Level Basketball. His expertise, experience and analytical skills have seen him involved with a number of companies at board level. He has also attained the highest level of recognition in the LJ Hooker and Raine & Horne Commercial Organisations.

## RECENT SALES



**4 Ravenshaw Street Newcastle West \$775,000**

200m<sup>2</sup> office space plus 3 undercover secure car spaces.

**BUYER:** Local Investor

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**4/321 New England Highway, Rutherford N/A**

Located in the Rutherford Supa Centre, with high exposure to foot traffic & situated close to the main highway.

**BUYER:** Local Owner-Occupier

**SOLD BY:** Steven Dick – Director Raine & Horne Newcastle



**13-15 Lambton Rd Broadmeadow \$1,550,000**

Leased medical facility of 400m<sup>2</sup> with off street parking

**BUYER:** Local investor

**SOLD BY:** Fourwalls Commercial



**333 Pacific Highway, Heatherbrae N/A**

Well exposed truck sales & service facility. Well maintained complex with parking, 5 partitioned offices & reception.

**BUYER:** Sydney Investor

**SOLD BY:** Alan Tonks - Raine & Horne Newcastle Commercial



**20 Amsterdam Circuit, North Wyong \$2,250,000**

Industrial facility 2130m<sup>2</sup> building on a 4270m<sup>2</sup> site.

**BUYER:** CCMG

**SOLD BY:** Fourwalls Commercial



**160 Pacific Highway Charlestown N/A**

Situated in the heart of Charlestown CBD an entire (2) level building with basement car parking.

**BUYER:** Local Owner-Occupier

**SOLD BY:** Steven Dick – Director Raine & Horne Newcastle



**9/8 Channel Road Mayfield West (Steel River) \$2,800,000**

Industrial strata unit comprising office and warehouse 420m<sup>2</sup>

**BUYER:** Local investor

**SOLD BY:** Fourwalls Commercial



**77 Maitland Road, Branxton N/A**

Includes a showroom area, office area, warehouse / storage, workshop area, onsite parking for 6 vehicles & truck access.

**BUYER:** Local developer

**SOLD BY:** Michael Maffey - Starr Partners

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## New service launched by First National Newcastle

George Rafty, the Principal and real estate agent of First National Newcastle City is now launching property management.

Mr Rafty opened the doors of what has become one of First National's top performing real estate agencies in NSW only 12 months ago. Since then, the property expert has claimed multiple sales awards and is now branching out from residential sales to also provide property management services.

When asked why the residential real estate agent is offering Novocastrians property management, Mr Rafty said: "We believe there is a right way of managing people's investment property. We know that a happy tenant means owners get an effortless return on their investment. It may sound simple, but there are plenty of unhappy tenants out there. We think we have what it takes to get this right."

Mr Rafty explains he is taking his formula for success from sales and applying it to property management. He elaborates: "It comes down to good old fashioned hard work and good manners. If you service both the owner and the tenant the right way, you avoid issues down the track."

George Rafty admits he could not launch this new service without the support of experts in property management. He is proud to have on-boarded two of Newcastle's most seasoned and service oriented property managers; Kathryn Macansh and Cathy Simpson.

"Kathryn and Cathy are the backbone to our new property management arm" Mr Rafty explains. "They have decades of experience in property management between them. Their relationships with clients is something I value greatly."

## Compass Housing to boost local housing supply

Leading community housing provider Compass Housing has been awarded a major contract from the NSW Government to help boost social and affordable housing across the state.

The Social and Affordable Housing Fund (SAHF) is a key component of the NSW Future Directions for Social Housing in NSW strategy that will result in more social and affordable housing dwellings linked to tailored support, to help households gain independence.

The SAHF is the first initiative of its kind for the social housing sector and will see Compass Housing deliver 600 new dwellings built across the Newcastle, Wyong, Lake Macquarie, Gosford, Maitland, Port Stephens and Singleton local government areas.

80% of the new dwellings will be for people currently on the social housing

waiting list. The remaining 20% will be allocated under an affordable housing model in which rent is capped at no more than 74.9% of the market rate.

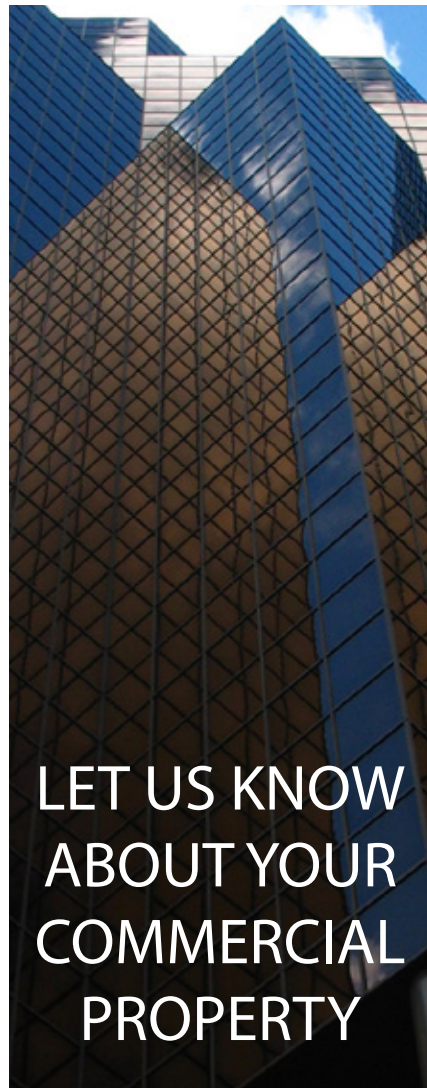
Compass Group Managing Director Greg Budworth said the projects would help address shortfalls of housing which are driving affordability issues for key workers and low income families.

"There is a shortage of social and affordable housing right across the country and NSW is no exception," he said.

"The government deserves major credit for taking bold steps to increase supply. Adequate housing is crucial to a person's wellbeing. Without it, it's next to impossible to make a go of things in any other part of your life."

"Innovative solutions like the SAHF will be critical to addressing the current shortfall and allowing more vulnerable people to experience the stability that comes from having a suitable and affordable place to live."

The 600 new dwellings will create approximately \$200 million worth of activity in the construction sector and will support hundreds of local jobs in the process.



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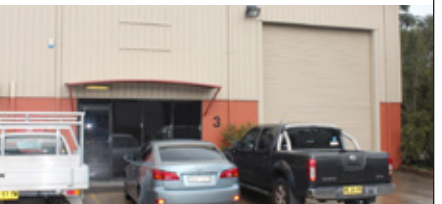
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## Tax cut will help SMEs generate jobs but need for broader cut remains

Hundreds of thousands of small and medium businesses across Australia will be better able to invest, grow and create jobs thanks to the company tax cut that has passed the Senate, on 31 March the Australian Chamber of Commerce and Industry said.

James Pearson, CEO of the Australian Chamber, said: "We applaud the Government for pursuing the Enterprise Tax Plan and welcome the support given to parts of it by a majority of senators.



The Senate has recognised the widespread benefits of reducing the tax burden on small and medium businesses, which will make it easier for those businesses to expand their operations and create jobs.

"But the Opposition and crossbenchers have missed the opportunity to help Australia's private sector to fire on all cylinders. We continue to urge the Parliament to support tax cuts for businesses of all sizes.

"Australia's company tax rate for larger businesses remains one of the highest of all developed countries, which hurts Australia's economic competitiveness. This puts us at a disadvantage in seeking international investment and encouraging Australians to invest at home. We all pay a price for our high rate of company tax.

"The bulk of the benefit from the Government's Enterprise Tax Plan goes to households and families, and that is maximised by extending the tax cut to larger businesses. It is disappointing that the cut for larger businesses did not receive support from the Opposition and crossbenchers.

"It is important that the Government remains committed to completing the job.

"As other nations with which we compete for investment, including the United Kingdom and the United States, cut their company tax rates, the case for Australia to take similar action will only get stronger.

"Cutting the company tax rate for businesses of all sizes to 25% cent within a decade is part of the Australian Chamber's Top 10 in 10 plan to make Australia more competitive in the race to maintain the jobs of today and create the jobs of the future."

**Further details on the Top 10 in 10 plan can be found at [www.top10in10.com.au](http://www.top10in10.com.au)**

## Superannuation: Make it part of your wealth creation plan

**Scott Douglas**  
**SiDCOR Chartered Accountants**

When it comes to superannuation most discussion centers around changes to the laws and the popularity of self-managed superannuation funds. I'd like to take the discussion back to the basics. Superannuation is fundamentally a mechanism to save for our future retirement. It is both tax effective and an incredibly valuable tool to maximise wealth as well act as a vehicle for many insurances including life.

For salary and wage earners, your employer is required to contribute an additional 9.5% of your salary to a superannuation fund on your behalf. This is your money. If you earn \$70,000 a year as a salary, you in fact earn \$76,650. Many people don't see it this way though, and as such, don't actively consider the value that this contribution brings to the wealth they will generate over their life time.

This is a common way of thinking, as people will focus on the dollar they have today over the dollar they can't access until well into the future. The compulsory nature of superannuation however is effectively a forced savings plan that we have our entire working life, one that we will be thankful for once retirement is reached.

However, if you are a business owner and not on a wage, you won't be required to contribute to super. With the mindset of a dollar in the hand is worth two in the fund, the lack of the compulsory nature that wage earners have means business owners may not be setting themselves up the way they need to for their future needs.

An exit strategy for your business can be critical in this case, where the sale of a business as retirement nears provides those much needed funds. Superannuation can then be considered as part of that exit strategy, as a tax effective tool to maximise the end game. However, it should also be considered a vehicle for accumulating wealth along the way, as the tax incentives can be significant, and can assist in reaching your goals.

Whether in business or an employee, don't underestimate superannuation, make it part of your wealth creation plan today.

**For further information contact SiDCOR on 1300 743 267, email [scott@sidcor.com.au](mailto:scott@sidcor.com.au) or visit [www.sidcor.com.au](http://www.sidcor.com.au)**



**Scott Douglas**, the CEO at SiDCOR Chartered Accountants, has over 20 years' experience in accounting and taxation, having begun his career with international accounting firm KPMG. With extensive experience in a variety of industries and with all types of businesses from local entrepreneurs to national organisations, Scott is perfectly suited to provide solutions needed to minimise tax and maximise wealth. Scott has a Bachelor of Commerce from Newcastle University and is a member of the Institute of Chartered Accountants.



## First steps to building wealth

**Daniel Evans**

**Macquarie Business Banking**

For most people, cash comes in – in the form of your take-home pay. And it goes out – paying bills, paying the mortgage, holidays. For a good part of your career, there might not be much left over.

If you reach a point where there's some surplus cash flow, it's a good problem to have. There are many ways to make the most of it – to reinforce your financial foundation, or start building wealth for the future. But for many people, paying off that non-deductible debt (credit cards, personal loans, home loan etc) is the priority.

Paying extra off your home loan now will reduce your monthly interest and help you pay off your loan sooner – and if your home loan has a redraw or offset facility, you can still access the money if things get tight later.

Once you've done that, you might start thinking about investing any extra cash in the share market or in property – or using it to top up your super. There are a few things to consider first.

### A question of circumstances

First, it's a matter of age. Investing extra cash is generally a good idea if you're younger and you may want to consider an investment strategy that could allow you to retire early if you wanted to.

But if you're closer to retirement and in a stable job, topping up your super could be a better option.

The key question is whether you'll be able to (or want to) remain in paid employment until you can access your super.

Later in life, people may want to leave or scale down their work, but are not eligible to draw on their super yet. In this situation, having investments both inside and outside super from a relatively young age is beneficial.

When weighing up the pros and cons of these options, keep these questions in mind:

- **What is the likely balance you'll need in super?**

Work backwards starting from how much you need to live on each year. What's your current balance? What are you currently contributing? Are you on track to reach that number?

- **If you have children, how old are they?**

When will they leave home and become completely financially independent? People who started a family at 40, for example, may need every penny they have until they're at least 60.

- **Are you single or in a long term relationship?**

Single people generally have fewer demands on super and want greater flexibility with other investments. Couples should look at how much they can save together, and whose balance needs topping up.

- **What are the tax implications?**

Investment returns are taxable, providing higher-income earners with lower benefits when investing outside super. Talk to your accountant about the potential impacts of both options on your personal tax position.

### Investing: spread your risk

If you've decided to invest some or all surplus cash, diversification is a smart idea as it spreads risk across multiple assets. But if you don't have a large upfront sum to invest, there are only so many baskets you can split your eggs between.

Consider starting with exchange traded funds (ETFs). These are passively managed investments that track an asset or market index – for example, the top 200 Australian shares. You'll be exposed to a range of growth assets, and you can buy and sell your ETFs like shares.

### Superannuation: don't set and forget

Don't forget that super is an investment in itself, and you have the power to direct it.

People sometimes think of super as a closed box. But it's actually the opposite: Australian super rules are very empowering for individuals. You should regularly review your investments and performance online.

Your fund may have a default investment option, but should also let you choose from a range of other options – some options may involve greater return potential at a greater investment risk. Check your fund's website for details.

Finally, super is a long-term investment, at least until you retire, and potentially much longer if you leave your money in super and draw a pension after you retire.

This long investment term, coupled with the concessional rate of tax on your super investment returns, means your returns can add up and generate further investment returns on those returns. This is known as compound returns, or compounding. Compounding is a powerful way to build wealth, and super is a great place to start that compounding process.

Whatever you decide, it's worth seeking advice from a licensed financial adviser first. Friends and family might be keen to offer their opinion, but remember what suits them may not be the best approach for you. Only you can make the decision, and it's your responsibility to make sure your investments are going to work for you.

**For further information contact Macquarie Business Banking on (02) 4960 4000, email [dan.evans@macquarie.com.au](mailto:dan.evans@macquarie.com.au) or visit [www.macquarie.com.au](http://www.macquarie.com.au)**



**Dan Evans** is Head of Newcastle and Western Sydney for Macquarie Business Banking. He has over 13 years' experience in advising clients from a wide variety of industries on acquisition funding, strategy and business improvement.




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## Navigating the new super rules

**Michael Minter**  
**Pitcher Partners**

From 1 July 2017 the superannuation landscape changes once again. This time we see 2 major themes:

1. Limiting the amount of tax free earnings within a superannuation fund
2. Limiting the amount of money people can put into superannuation

Although these 2 items appear quite simple, the rules surrounding how they are put in place are anything but simple. In fact, there are levels of complexity that increase the risk of errors and mistakes which may result in tax penalties and non-compliance.

The new rules do not change the way withdrawals from superannuation are taxed in your personal name, instead focussing on how your benefits are taxed within the superannuation fund. For most people aged over 60 these withdrawals will continue to be tax free.

The following is a summary of the key changes:

### **\$1.6m Transfer Balance Cap**

This is the maximum amount a person can use to start a pension during their life and commences on 1 July 2017. This impacts ALL pension regardless of whether you are already receiving a pension or are starting a new pension after 1 July.

This is the measure to limit the amount of tax free earnings within superannuation, as the earnings associated with those assets funding your pension are tax free. The earnings on assets

above the \$1.6m cap are then subject to tax at 15%.

If you are already receiving a pension and the value of the pension is more than \$1.6m, you will need to reduce the value of the pension down to \$1.6m from 1 July 2017. The excess does not have to be withdrawn from the superannuation fund, instead it can simply be held in a separate "accumulation" account within the fund. This is an area where it may pay to get some advice that looks at your overall situation to determine whether retaining this excess in super is actually the best thing for your situation.

### **Transition to Retirement (TTR) Pensions**

Like other pensions, currently the earnings on assets funding a Transition to Retirement Pension are tax free. From 1 July 2017 these earnings will now be subject to tax at the ordinary tax rate applying to superannuation funds, being 15%.

Generally, you will be receiving a TTR if you are aged under 65, still working and drawing a pension from your superannuation fund. With the earnings on these pensions now being subject to tax there is a question mark on how effective these strategies will continue to be.

If you are receiving a TTR you should seek advice to work out whether continuing with the pension is still worthwhile.

### **CGT Relief**

Here the complexity steps up a few notches and especially for people holding their superannuation through self-managed superannuation funds.

In general terms the rules are designed to create fairness in the capital gains outcome for assets that are being used to fund pensions, where the value of the pension exceeds the \$1.6m cap. If we consider the rules as they exist now, assets used to fund pensions are tax free but after 1 July 2017, if you had to reduce your pension balance, part of your superannuation benefits





would now be subject to capital gains tax if you sold the asset.

Where the complexity comes in is that you have an irrevocable election to be made this financial year about how you want a particular asset to be taxed when it is sold at some point in the future. This election applies to each asset and can even go down to parcels of assets.

In simple terms the relief, if elected, can reset the cost base of the asset to the value at 30 June 2017, as well as resetting the purchase date to 30 June 2017 (which can impact any potential capital gains discounts the fund may be entitled to). This means for those superannuation funds investing in unlisted assets such as real estate obtaining a valuation of these assets before 30 June 2017 will be important.

### Concessional Contributions

From 1 July 2017, the amount you are allowed to contribute to super and obtain a tax deduction is reducing to \$25,000 per annum regardless of your age. This will impact the amount you can salary sacrifice or claim as a personal tax deduction and longer term will impact the amount you will accumulate in superannuation. Gone are the days of waiting until you're older to make contributions because you are allowed to put more in – it is now more important than ever to make use of the limits as much as you can from as early as you can.

For the year ended 30 June 2017, the maximum limit remains at \$30,000 for under 50's and \$35,000 where you are 50 or over.

### Non-Concessional Contributions

These are contributions you make with after tax money. From 1 July 2017, there are a few changes to be aware of:

1. The maximum amount you can contribute reduces;
2. Depending on your total superannuation account balance, you may be unable to make additional contributions

If you are under 65, the maximum amount you can contribute before 30 June 2017 is \$540,000 (depending on what contributions you have made in prior years). After 1 July 2017 this amount reduces to \$300,000 using the 3 year bring forward rules. There are transitional rules that apply, so if you are considering making non-concessional contributions before 30 June it will pay to get some advice around this, as getting it wrong could result in an expensive tax bill.

Where you have more than \$1.6m in superannuation, after 1 July you will no longer be allowed to make non-concessional

contributions. This makes managing your superannuation balances important to maximise the amount you can get into super over your life.

### CGT Retirement Exemption

This is the ability for many small businesses to contribute the proceeds from selling their business into superannuation and receive some relief from capital gains tax. This can allow approximately \$1.4m to be contributed over a person's lifetime. From 1 July 2017 these rules remain unchanged continuing to provide a good incentive to business owners that may be looking to sell. These rules are complex, so if you are considering selling you should seek advice on the ability to benefit from this exemption.

### Action Required

There are hidden complexities in these changes meaning advice on your options will be extremely valuable. Some of the areas we believe people should be taking action or seeking advice are:

1. If you have more than \$1.6m in a pension, get some advice on what is your best option for reducing the balance of the pension before 1 July 2017. This includes looking at CGT consequences if you have a SMSF.
2. If you are receiving a Transition to Retirement pension seek advice to determine whether this is still of benefit to your situation.
3. If you have the ability to maximise your contributions it may be worth considering this before 30 June 2017.
4. Review existing salary sacrifice arrangements to make sure they take into account the reduced contribution limits from 1 July 2017.



**Michael Minter** is the Managing Partner at Pitcher Partners. He specialises in tax consulting and compliance, corporate tax and trust taxation, employment taxes, employee benefits planning and tax consolidation. He also leads the Superannuation Division and is a Fellow of Chartered Accountants in Australia and New Zealand and a Fellow of Taxation Institute of Australia.



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## Back to basics – your super obligations

**Ian Morante**  
**Nationwide Super**

Superannuation can be a complex and confusing topic – which is not ideal for busy, time-poor people who want to focus on the things they really enjoy about running their business.

Once you understand who you need to make super contributions for, the rest of your obligations are reasonably straightforward.

### Choice of Fund for your employees

Employees in most industries and businesses have the right to choose which super fund or retirement savings account will receive their Superannuation Guarantee (SG) contributions. Generally, you're obliged to offer your employees this choice of fund within 28 days of commencing employment with you.

If you need help to determine whether your employees need a Choice of Fund or to download the form, visit the ATO at [www.ato.gov.au/super](http://www.ato.gov.au/super)

### MySuper - When your employees don't make a choice

If your employee doesn't have an existing super fund, or doesn't make a choice, you will generally have to make SG contributions to a fund offering a MySuper product, and if your business is governed by a Modern Award, your options for this 'default' fund are nominated in your relevant Award.

### Superannuation Guarantee (SG)?

If you employ a person under a verbal or written employment contract on a full-time, part-time or casual basis, you are required to pay SG contributions where they are:

- At least 18 years old or under 18 and working at least 30 hours per week; and
- Earning at least \$450 per month (before tax).

### When to pay

You must pay SG amounts at least each quarter, but if it suits your business you can choose to pay more frequently. You have 28 days after the end of each quarter for your contribution to be paid and received by the super fund.

The following table is a reminder of the key periods and cut-off dates:

SG Quarter	Date payment due*
1 July – 30 September	28 October
1 October – 31 December	28 January
1 January – 31 March	28 April
1 April – 30 June	28 July

\*Where the cut-off date falls on a non-business day, the next business day is used instead.



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You should also be aware that if you don't pay your SG contributions by the deadline, you may have to pay an SG charge to the ATO, which is not tax deductible.

#### Amount to pay

Currently, you must pay at least 9.5% of your employees' 'ordinary time earnings' to super each quarter.

'Ordinary time earnings' is the amount your employee earns for their ordinary hours of work, including loadings, allowances, bonuses and commissions, but excluding overtime.

#### How to pay

Following implementation of the government's SuperStream legislation, there are also rules around making super payments electronically, and standards for the contribution information you need to supply to super funds. For details, ask your current Fund or visit the ATO website.

**For more information, or any help you may need to understand your super obligations, call the Nationwide Super team on 1800 025 241.**



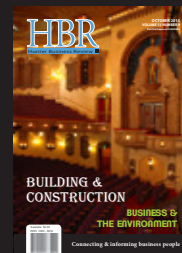
**Ian Morante** is CEO of Hunter-based super fund, Nationwide Super (formerly NSF Super). He has over 25 years' experience in the superannuation industry and holds a Bachelor of Commerce from Newcastle University, a Diploma of Financial Planning, a Diploma of Financial Services (Super), an Advanced Diploma of Financial Services (Super) and is a Fellow of the Australian Institute of Superannuation Trustees.



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# Your superannuation checklist before June 30

**Derek Bouman**  
DFK Crosbie

The new superannuation legislation makes it critical to check that your super is structured correctly before 30 June. Yes you're busy! But think of your future peace of mind. Here's my action plan:

## **Your concessional contribution limit—get it right!**

If you were aged 49 or over on 1 July 2016, your concessional contribution limit for this financial year is \$35,000. If you were under 49, it's \$30,000. From 1 July 2017 this reduces to \$25,000 for all members. Maximise it while you can!

## **Take advantage of non-concessional contributions before the limits change**

These help you move investments into superannuation from your personal, trust or company name to control your overall tax position. The non-concessional contribution limit for this financial year is \$180,000 and if you're under 65 you can trigger the three year "bring forward" rule. From 1 July 2017 it drops to \$100,000 per year and applies only if your total super balance is under \$1.6 million.

## **Check if you can use the lump sum strategy before it cuts out on June 30**

This can be a powerful strategy if you've reached preservation age but not age 60. It's subject to certain conditions but members in pension phase (i.e. aged 55 to 59) can elect for their pension to be treated as a lump sum, accessing a lower tax threshold.

## **Double deductions can still apply so consider your assessable income this year and in the future**

Just say you have a large taxable income this year but expect it to be lower next year. In this case you should consider making additional contributions before July 1 2017 into an unallocated contributions holding account. Of course, you must consider your contribution caps for the following year.

## **Ensure you've met the minimum pension obligations**

Current rules allow a tax exemption for earnings inside a superannuation fund that supports a pension. However, the minimum pension must be withdrawn and cleared before June 30. Don't be caught out!

## **Review your ability to make contributions**

If you're already aged 65, you must pass the work test of 40 hours in any 30-day period during the financial year before you can make a super contribution.

## **Can you get Capital Gains Tax (CGT) relief?**

The CGT relief provisions are complex and apply to the current financial year for members drawing a transition-to-retirement pension, or with pension balances of more than \$1.6 million. Discuss this with your accountant and financial planner.

## **Review your estate planning**

Are your strategies still valid and structured optimally for your circumstances? Given the imminent legislative changes it's critical to review this along with your superannuation before June 30.

This is merely a brief snap-shot of some strategies to consider before the end of financial year for the sake of your superannuation—and your peace of mind.

**For further information contact Derek on (02) 4923 4000 or email [derek.b@dfkcrosbie.com.au](mailto:derek.b@dfkcrosbie.com.au)**



**Derek Bouman** is a Partner with DFK Crosbie. He's spent the past 15 years advising on how best to grow and protect your superannuation investment without handing over its control to someone you don't know. Derek is a self-managed superannuation advisor, a Specialist Member of the SMSF Association, a chartered accountant and financial planner.



## Is a self-managed super fund right for you?

**Robert Coyte**  
**Shartru Wealth**

Self-managed super funds (SMSFs) have become increasingly popular in recent years as they provide a wide range of benefits to investors. They do not suit all circumstances however.

The following covers some of the advantages and disadvantages that you should consider before progressing further.

### Advantages of SMSFs

- **Personal control** - An SMSF provides flexibility that allows a fund to be established to cater for specific needs (within the constraints imposed by the relevant governing legislation).
- **Cost control** - An SMSF may deliver investors with cost savings when compared to other types of superannuation structure.
- **Investment flexibility** - All SMSF trustees are required to formulate and implement an investment strategy. All investments of the fund must be made in accordance with that strategy. Some restrictions on investments that can be made by a fund may apply.
- **Retirement income streams** - Depending on the terms of the SMSF's trust deed, an SMSF may offer one or a number of income streams to members.
- **Life Insurance** - In circumstances where a member of an SMSF is identified as having needs that may best be covered by life insurance, consideration should be given to holding that life insurance cover within a superannuation fund. The premiums are paid from the members contributions to the fund and are tax deductible to the Fund paying the premium.

- **Estate Planning** - Within an SMSF the member has a number of choices in terms of directing what will happen to their benefit in the event of their death. The options available may be more flexible than alternative types of structures.
- **Taxation Planning** - An SMSF may have an advantage over alternative superannuation structures including: the payment of contributions tax is able to be deferred until it is actually due, allowing investment earnings to accrue on those funds until they become payable; and where insurance benefits are provided by an SMSF and a claim arises, opportunities may exist for favourable taxation treatment of the payment of such benefits.

### Disadvantages of SMSFs

There are some potential disadvantages with running an SMSF:

- Trustees must assume responsibility for operation of the fund. Although certain functions may be outsourced, this does not release trustees from their responsibilities,
- SMSFs may be costly to administer, particularly where only relatively small amounts are being invested in the structure.

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**Robert Coyte** is a highly experienced financial advisor having owned and operated financial planning practices for the past 16 years. Overall Robert has 21 years' experience in commercial banking, financial markets, stockbroking and financial planning.

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## WHS showcased at Hunter Safety Awards

Local family owned and operated business, Mainstream Industries, were crowned the winners of the 'gold' safety helmet trophy as the WHS Business of the Year, sponsored by Blackwoods, at the second annual Hunter Safety Awards.

All the winners were announced at a gala awards night on Friday evening (17 March 2017) at the Newcastle Conference and Exhibition Centre (NEX).

Mainstream Industries Managing Director, Troy Rose, took to the stage with a number of his team, stating how important safety is for their team.

"We consider our team to be family and we want everyone to get home safe every night," Troy said. "We are shocked and thrilled to have been recognised with this award, and it means a lot to us that the community understands how seriously we take safety."

The judges said that the integrated safety management system implemented by Mainstream Industries led to their certification in safety, as well as improved safety standards within the organisation.

"The fundamental goal for Mainstream is that they have zero harm to employees, sub-contractors, the community and the environment in which they work. Their safety system has put in place risk mitigation to ensure this happens," Founder of the Hunter Safety Awards, Sarah-Jane Dunford, said.

The WHS Champion of the Year, sponsored by the University of Newcastle, was revealed to be Red Insight Principal Risk Consultant, James Brown. James is a self-motivated and experienced safety professional with a genuine care for the safety and wellbeing of people.

Young WHS Leader of the Year, sponsored by Lifestyle Cleaning Services, was revealed to be Lauren Meldrum, of Reliance Hexham.

Best WHS Improvement (large organisation), sponsored by John Holland Rail, was presented to LakeCoal, while Best WHS Improvement (SME organisation), sponsored by KONE, was Valley Electrical & Air.

WHS Student of the Year, sponsored by TAFE NSW, was presented to Lee Oakman from GB Auto Group, Best WHS Training Course, sponsored by uvex, was announced as Training Wheels.

Most Innovative WHS Idea (large organisation), sponsored by WesTrac, went to Anglican Care, while Most Innovative WHS Idea (SME organisation), sponsored by 3M, was presented to Take5apps.

Best WHS Management System (large organisation), sponsored by Greencap, was announced as Laing O'Rourke, Best WHS Management System (SME organisation), sponsored by Laing O'Rourke, was Mainstream Industries.

All finalists and winners were decided by a panel of industry experts and sponsor representatives, with a number of close decisions.

"We were thrilled – and not surprised – by the high calibre of submissions we received," Sarah-Jane said. "It was great to be able to recognise and reward locally-based businesses and individuals who are striving to change the perception and culture of work, health and safety in front of a packed room of local organisational representatives."

MC Andrew Daddo kept attendees entertained with his anecdotes, as well as providing background on each of the 11 winners and their impressive achievements.



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## WHS Business of the Year

Mainstream Industries Pty Ltd scooped the top award at the 2017 Hunter Safety Awards. Taking out the Best WHS Management System was their goal but was shortly to be outdone after being awarded the WHS Business of the Year.

This award recognises the commitment Mainstream Industries has towards safety and shows demonstrable systems of providing a first class service.

Mainstream have been providing industrial cleaning services to the Newcastle and Hunter mining and power generations sectors, including recent major long term contracts awarded by AGL Macquarie and Glencore Coal Assets Australia.

### **Mainstream's services include;**

- Mobile Hot Water High Pressure Jetting
- Industrial Vacuum Loading
- Drain Cleaning
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For further information contact  
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## Mental health awareness in the workplace – Can we increase awareness through training?

**Traci Carse**  
SafetyWorks Group Pty Ltd

Most of us are aware of the importance of managing physical hazards in the workplace. Historically we have not been so aware of the psychological (mental) hazards. Mental health is an essential part of WHS just as physical health is.

Mental illness is more prevalent than many people realise. Around 45% of Australian adults will experience a mental illness at some point in their life and many of these people are in the working population. There is substantial evidence to show that an 'unhealthy' work environment or a workplace incident can cause considerable stress and contribute to, or aggravate, mental illness as well as impacting the physical health of individuals. In short, the workplace can be an important source of support, and/or stress.

Managers and employees often report they would like to offer support but don't know how. A common strategy to combat this issue is to provide mental health awareness training.

The answer is YES!

I'm sure you won't be surprised to hear that my answer is an emphatic – 'yes', we can increase mental awareness through training. Not only can we, but we should be taking a proactive stance.

There are several myths about mental illness in the general population and the workplace is no different. An important outcome from mental health awareness training is that it helps dispel myths and reduce some of the all too common stigma and discrimination that many people unfortunately still face.

For instance, training can challenge common misconceptions such as 'I'm not qualified to discuss mental illness' – there's no expectancy that you would ever diagnose or treat mental



health conditions, but you are in a position to offer support and encourage early help-seeking behaviour.

### What to expect from Mental Health Awareness Training?

Training can certainly help with an understanding of mental illness and help to reduce the impact of mental health issues in the workplace. It can also build confidence in how to recognise common early warning signs and respond appropriately.

### Choosing a training program

Apart from the obvious considerations such as using qualified providers with expertise in mental health, and other practical decisions e.g. budget, consider the following:

#### 1. Who is it for?

Managers have different responsibilities than co-workers so ensure your training provides information to match the specific needs of your workers.

#### 2. What's the best training format?

If you have a geographically diverse workforce, online learning may suit best. If located on a single site, you could offer a group face-to-face workshop.

#### 3. What are you trying to achieve?

A 45-minute online course is terrific as part of staff induction, whereas a face-to-face workshop can provide opportunity for practical skill development e.g. in asking 'are you ok?'. You might want to develop mental health 'champions' across your organisation to establish support on the ground in which case you'll need to provide specialised training/coaching.

Finally, as with any program implementation, think longer term, align training decisions with your wellbeing strategy and match to need (conduct an assessment/training needs analysis). And remember to consult – include your workers in the decision making.

**For further information contact SafetyWorks on (02) 4925 3147, email [info@safetyworks.com.au](mailto:info@safetyworks.com.au) or visit [www.safetyworks.com.au](http://www.safetyworks.com.au)**



**Traci Carse** is a registered Psychologist with the Psychology Board of Australia and member of Australian Psychological Society & College of Organisational Psychologists. Traci has significant experience in the design and delivery of workplace psychological health, resilience & wellbeing interventions across a range of work settings.

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## Drugs and alcohol in the workplace

**Karen Ansen**  
performHR

It will come as no surprise to any employer that the impact of alcohol and drugs in the workplace is considerable. Research has estimated that 2.5 million days are lost annually due to alcohol and drug use, at a cost of more than \$680 million to Australian workplaces as well as an estimated \$6 billion per year in lost productivity.

However, it's not only the Australian workplace and economy that are affected. One in 10 workers report that they have experienced the negative effects associated with a co-worker's misuse of alcohol or other drugs. These negative effects include their reduced ability to do their job, involvement in an accident or close call, and working extra hours to cover for a co-worker.

The challenge facing employers is figuring out how to guard against something that seems so out of their control. Fair Work has made it clear that random drug and alcohol testing is an intrusion of the privacy of the individual which can only be justified on Work Health and Safety grounds. Additionally, there is much case law that supports that an employer has no right to dictate what alcohol or drugs its employees take in their own time<sup>[1]</sup>. However, an employer has a legitimate right (and indeed obligation) to try and eliminate the risk of employees coming to work impaired by alcohol or drugs that could pose a risk to health and safety of other employees and clients.

Work environments are an important and effective place to combat alcoholism and other drug issues by establishing or promoting programs focused on improving health. Many individuals and families face a host of difficulties closely associated with problem drinking and drug use, and these problems quite often spill over into the workplace. By encouraging and supporting treatment, employers can dramatically assist in reducing the negative impact of alcoholism and addiction in the workplace, while at the same time reducing their costs. Research has demonstrated time and time again that alcohol and drug treatment pays for itself and employers with successful EAP's and DFWP's report better health status among employees and family members and decreased use of medical benefits.

Without question the establishment of an Employee Assistance Program (EAP) is the most effective way to address alcohol and drug problems in the workplace. EAPs deal with all kinds of problems and provide short-term counselling, assessments and referrals. Additionally, implementing a

drug-free workplace (DFWP) supported by a framework; offering health benefits; reducing stigma in the workplace; and educating employees about the health and productivity hazards of substance abuse through company wellness programs all have high success outcomes. Many organisations have Codes of Conduct that expressly prohibit any employee from being under the influence of drugs or alcohol within the workplace. What they lack however is a policy framework to equip them with a legally defensible process following the identification of the issue.

***If you would like to discuss your obligations as an employer, or ensure your Workplace Health and Safety policy protects and supports your employees, contact performPR on 1300 406 005.***

[1] Shell Refining (Australia) Pty Ltd, Clyde Refinery v Construction Forestry Mining and Energy Union [2008] AIRC 510; Endeavour Energy v Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia and others [2012] FWA 1809.



**Karen Ansen** brings a wealth of knowledge to her role as Client Service Director, and has a strong belief in a holistic approach to workplace issues. With over 15 years' experience in both Workplace Law and Employee Relations, Karen is an expert on the legal principles that govern employer-employee relationships, including the Fair Work Act, Workplace Health and Safety Laws, counselling and mediation.

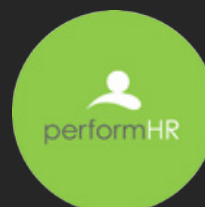


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## New Location for Hazmat Services

Hazmat Services a specialist OHS, Waste and Environmental consultancy have moved into new premises in nearby Fitzroy Street, just off the Carrington Bridge.

Specialising in cradle to grave management of hazardous materials in the workplace, Hazmat's consulting team is well placed to deliver local, state and national solutions to fulfil various legislative requirements in relation to the identification and management of hazardous materials and dangerous goods in the workplace.

The new address is Level 1, 45c Fitzroy Street, Carrington. Telephone numbers and email addresses remain the same.

## Initiative launched to address local male suicides

109 men on average suicide in the Hunter New England/Central Coast region each year. Of the 145 people who take their own lives in the region each year, 75% are men.

The loss last August of Steve Morris, a client and friend, gave James Tocci from Puro Partners the desire to create an initiative to increase suicide awareness amongst men in business. "Steve's wife Kerrie was very keen to develop a campaign to highlight the importance of men at risk being able to ask for help and communicate their feelings," said James.

BRAVE Men has been developed as a collaboration between Puro Partners and Lifeline Hunter Central Coast (LLHCC). Chief Executive Office of Lifeline LLHCC, Gillian Summers, commented "BRAVE Men is aimed at educating corporates and community members about male suicide, so they are better prepared to become a valid link in connecting people at risk to appropriate help. It is vital that as a community we overcome the stigma surrounding suicide. This initiative will also raise the awareness of the services that Lifeline offers to corporate members and the community."

"BRAVE Men" was launched on 31 March to 30 key corporate men at a lunch at Scratchleys, with key speakers addressing the gathering.

Rob Sams, Chair of Lifeline Hunter Central Coast, hosted the event and outlined Lifeline's services. James Tocci and Kerrie Morris spoke about the personal impact of losing Steve and how his death triggered the initiative. Lifeline brand Ambassador Nick Bowditch shared his story and facilitated question time and an open forum discussion.

Puro Partners' James Tocci and Sam Wallace, who operate a boutique executive search company, provided funds for the launch event. As part of the BRAVE Men initiative, Puro Partners will also fund Mental Health Awareness Talks to businesses which have a highly male dominant workforce free of charge.



James Tocci and Kerrie Morris

# WH&S



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## New campaign to improve workplace safety

SafeWork NSW has launched a new \$3.2 million campaign aimed at making NSW the safest state to work in Australia. The campaign, entitled "Safety starts with you", has been developed in response to alarming statistics about workplace injuries and illnesses in NSW.

In 2015/16 alone, SafeWork NSW received reports of 30,902 major workplace injuries and illnesses, and 60 fatalities. The economic burden of workplace incidents in NSW is an estimated \$17.3 billion, or 3.7% of gross state product.

Executive Director of SafeWork NSW, Peter Dunphy, said while NSW has made good progress in improving workplace health and safety over the past decade, more work needs to be done.

"Since 2005, there has been a 49% drop in the number of workplace fatalities in NSW, and a 39% reduction in serious injuries and illnesses," Mr Dunphy said.

"However, the current figures are still unacceptably high.

"Anyone with a job in this state has the right to a safe and healthy workplace, and whether you are an employer or a worker, and regardless of your industry, occupation or background, workplace safety is everyone's responsibility."

The campaign includes paid advertising across a mix of media, as well as experiential activities such as radio competitions. The campaign's full tag line is 'No matter what you do, safety starts with you' and is a direct and personal call to action.

As part of the campaign, SafeWork will launch a new free 'Safe' app that helps identify and resolve safety issues in a workplace. Users can create safety teams; raise, discuss and resolve safety issues; and attach photos.

Mr Dunphy said that a safety culture involved putting workers and their safety at the centre of a business.

"I urge businesses and workers across the state to get involved in the campaign and think about how they can create a safety culture in their workplace," Mr Dunphy added.

The campaign is an outcome of SafeWork NSW's Work Health and

Safety Roadmap for NSW 2022, which aims to reduce workplace fatalities by 20% and serious injuries and illnesses by 30%.

## New project targets residential construction safety in the Hunter

SafeWork NSW has launched a new TradieSafe project in an effort to reduce injuries in the Hunter region's residential construction industry.

Over the next 12 months, SafeWork NSW inspectors will visit construction sites across the region to help tradespersons improve work health and safety in their businesses.

The program follows a recent survey of 167 Hunter construction workers, which found the top three safety risks most likely to cause work-related injuries were falls from heights from ladders and roofs; slips, trips and falls due to poor housekeeping; and cuts from sharp objects. Construction workers also identified inadequate use of personal protective equipment as an issue.

SafeWork NSW Executive Director, Peter Dunphy, said the Hunter residential construction industry was not only one of the region's largest industries, but also one of the highest risk.

"Each year an average of 730 construction workers are injured in the Hunter region, costing \$7.5 million in workers' compensation claims," Mr Dunphy said.

"Half of all claims are for soft tissue injuries, and lacerations and contusions to hands, eyes, ears, ankles and knees; injuries that can be avoided if effective safety procedures are in place," Mr Dunphy said.

"The TradieSafe project will focus on the three risks identified in the survey, as well as site security.

Mr Dunphy reminded employers it was their responsibility to ensure the safety of their workforce.

"Providing a safe workplace is not just good for workers - it reduces a construction firm's liabilities and costs, and improves worker productivity," he said.

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## Creating a real *BUZZ* around innovation

**Christina Gerakiteys**  
*Ideation At Work*

A few years ago, there was talk about laying the Hunter Innovation Festival to rest. It had become a month of token innovation events, pieced together so innovation would at least have a presence in the region. The intent and motivation were firm but the resources and manpower scarce.

Innovation wasn't a media draw card and the Government certainly was not talking "Ideas Booms", nor were they spending money on innovation. Innovation simply was left to individual businesses and organisations. The festival was desperately trying to provide a platform for collaboration and a vehicle to share knowledge.

With a lot of heart, belief and persistence, and with little resources, a dwindling team of dedicated innovation champions remodeled the event and a new energy was injected.

Fast-forward a few years and that new energy has been magnified. #HIF17 will see the biggest year yet in the spirit of collaboration and connection. And in 2017 collaboration and connection are essential ingredients for creating an innovation culture, and on a grander scale, an innovation ecosystem.

So what do we want to achieve through all this connection and collaboration? #HIF17 will start at Ideation, end with Execution and offer all the required information and support possible in between.

I was fortunate to hear Simon Sinek speak in Sydney recently. One of the truth bombs he unleashed on the 2,350 strong audience was, "Vision without Execution is Hallucination".



We know that innovation is seeded through Vision. If the seed is to sprout roots, it is through a team that is drawn to that vision. Without the team, without laying strong roots, there will be no sprouts. Ok, enough of the analogy!

The Visionary must be supported by the Marketpreneur, who will help spread the word, the Numberspreneur, who will keep the finances on track and the Actionpreneur, who follows the Visionary and ensures that the steps to execution are completed.

So #HIF17 will offer several events for individuals, businesses or organisations to showcase their existing ideas or to work with others to come up with unique ideas that solve a plethora of issues that are prevalent in business and/or society. Some amazing businesses were spawned from the craziest of ideas and that doesn't happen when an idea is kept captive in someone's head. The Smart Ideas competition is accepting entries, as is the Hackathon. And the Ideas Bomb will be an open opportunity for conceptualisation and discussion.

Connecting with others is the best way to form collaborations. Collaborations offer the best ways to progress ideas. #HIF17 will offer many platforms for connecting and collaborating, both formal and social, but always with purpose and intent.

From pitching, to prototyping and commercialisation; from the internet and with the infinite possibilities it brings, to grants and wisdom and inspiration from those that have been there before; #HIF17 will cover much of the innovation and entrepreneurial journey.

And in order for #HIF17 to have sprouted, the collaborators in the event are committed to creating an innovation ecosystem that is both sustainable and that sustains the region for years to come. Thanks to the University of Newcastle, Newcastle City Council, Hunter TAFE, AUSIndustry, Laughing Mind, Ignite Alliance, DaSH, #newstartups, Hunter Research Foundation Centre, Internet Of Things, Eighteen04, Three76 Hub, Davis Collison Cave, Ideas Bomb, Design Anthology, The Business Centre and others for coming together and creating this program.

Take part, have a voice, share ideas and drench your thirst for knowledge and connection. And remember, so much of where we are heading was once just a crazy idea, perhaps even showcased in a science fiction movie...

**For the latest information on the Hunter Innovation Festival visit [www.hunterinnovationfestival.org](http://www.hunterinnovationfestival.org)**



**Christina Gerakiteys** is the Chief Enabler at Ideation At Work and the producer of #HIF17. She is an ideator and innovation and creativity expert, opening hearts, minds and businesses to what is possible.



## Newcastle Tech and Startups

**Harry Balding**  
Newcastle Tech and Startups

The Hunter Innovation Festival (HIF) is back again this year celebrating 10 years of innovative practice and iteration.

#HIF17 will be a smorgasbord of exciting new tech demonstrations, high-value events like hackathons and specialised workshops, and a great opportunity to rub shoulders with the ever-growing Innovator Community here in the Hunter.

One sub-group within this community is #newystartups (AKA Newcastle Tech and Startups).

We're a regular meetup founded with the intention of connecting and up-skilling the region's entrepreneurs. We encourage and support our members in their pursuit of creating a vibrant startup ecosystem in the Hunter that rivals Waterloo or Tel Aviv and yes, Silicon Valley. But that's such a lame, overused, cliché.

We're already blessed with the key elements of a great startup ecosystem: a university that's really making Research and Innovation a key priority; supportive governments at all levels; and most importantly, a growing number of entrepreneurs forsaking traditional employment to drive their new businesses.

Building a world-class startup ecosystem is not a two, five, or even ten-year task. According to Brad Feld of TechStars (and the unofficial king of startup-crazy Boulder, Colorado), building a strong startup community takes 20 years, continuity in leadership, and successful entrepreneurs willing to pour time and money back into their community.

Here in the Hunter, we're somewhere between years two and ten. We've got a few runs on the board but we know we've got a long way to go. That's why we're so keen to make #HIF17 a

success: events like this one are a great starting point for connection, two of the most prevalent characteristics of startup hubs the world over. #newystartups will host a 'How to Fund Your Venture' event during #HIF17 on Wednesday the 24th of May. The event is for our members and the members of all innovative and technical meet-up groups around town.

The topic for the evening will be an overview of the different models of funding for an idea or business.

Presented by regional experts, attendees will have a great opportunity to learn from those in the know.

# All are welcome

Follow us @newystartups on social media for further information or visit [www.hunterinnovationfestival.org](http://www.hunterinnovationfestival.org).



**Harry Balding** works with startups and SME's who are working to scale up their operations. He is a Generalist, offering marketing, strategic and business development, and project management as part of his professional services.

## HunterHackFest

**Brian Hill**  
Laughing Mind

Got an appetite for hands-on innovation? On 19-20 May 2017, Laughing Mind will be running the opening event of Hunter Innovation Festival, HunterHackFest. Their Hackathon is a fast-moving, hands-on, technology and business prototyping event that connects three different team member personas: Hackers (engineering/software/hardware types), Hustlers (Commerce, Accounting, Business developer types) and Hipsters (Creative, design driven types) in a mashup of speed-dating on innovation ideas, working to deliver tangible outcomes by the end of the event for prize-money and profile. Teams tackle defined challenge topics, with sponsors having a strong role to play in defining problems they've been faced with, which need innovative responses.

The Hackathon event format is a well recognised problem solving pattern used within technology companies as they accelerate their product innovation pipeline. Companies such as Australian technology success Atlassian are well known for their Shiplt initiative, where teams work over a 24hr cycle to identify persistent unsolved problems + opportunities, then build a technical prototype in a company competition that evolves the Atlassian product range or Operations.

Speaking to HBR, Brian Hill, Founder of Laughing Mind, commented: "We're delighted to be delivering HunterHackFest again in 2017, building on what we'd started in 2016. It's a perfect event to hold at the start of Hunter Innovation Festival as we work to accelerate the pace of innovation and stimulate the startup ecosystem of the Hunter region - it has a great multiplier effect, as it increases the connections of talent in the area, builds trust in a short delivery cycle as teams work hard on their entries and often seeds a business idea that can be taken further in accelerator programs like SlingShot."

"We know from delivering several prior hackathon style events in 2016 that the region has got a great mix of talent and ideas, with a hunger for locally created solutions. This year, we're targeting bigger exposure to Industrial Internet of Things (IoT) hardware and software with Thinxtra, as we know it's a great fit for the diverse range of industries in the area, from healthcare to mining, agribusiness and civic engineering. We're working to get a remote event hub activated in 2017, targeting an AgTech/Agribusiness challenge that aligns well with longer broadcast distances and low cost hardware, with support throughout the 2017 Hunter Innovation Festival program to progress IoT ideas. With Eighteen04 as our event venue hosts in the new Hunter Digital Precinct and Newcastle City Council on board as one of our challenge sponsors, we're keen to see what emerges from this years teams".

The event is part of a Venture Catalyst event series from Laughing Mind, designed to move teams from Idea to Action in a time limited event format that gets teams connected, exposed to contemporary technology, collaboration practices and hones their STEAM (Science, Tech, Engineering, Arts + Maths) skills in a memorable, connecting experience. With further events on their planning board for 2017, there's more to come for our region.

**For further information contact Brian on 0414 430 450, email [brian.hill@laughingmind.com](mailto:brian.hill@laughingmind.com) or visit [www.laughingmind.com](http://www.laughingmind.com)**



**Brian Hill** is an experienced digital strategist and health professional with a track record in business innovation, service transformation programs and startup ecosystem development in the ACT, Hunter and Central Coast regions. He is an active mentor of several startups, an Eighteen04 Board member, Founder of Laughing Mind, CoFounder of Assemblant, and a Certified Information Systems Auditor.



## Newcastle welcomes global leader in innovation and engagement

The University of Newcastle (UON) has appointed the institution's inaugural Pro Vice-Chancellor Industry Engagement and Innovation (PVC IEI), furthering its commitment to translating its world-class research into real-world solutions.

The PVC IEI will provide leadership in building industry partnerships, accelerating innovation and entrepreneurship through innovation hubs, and achieving excellence in the translation and commercialisation of research.

Dr Sarah Pearson, a leader in the global innovation community, joins UON from her role as CEO of the CBR Innovation Network, where she designed and oversaw a broad suite of offerings to the Canberra innovation community, including an accelerator program, support for small business, a network for entrepreneurs, and activities encouraging students to study science and mathematics.

"I am thrilled to be joining the University of Newcastle in this new and exciting role. I have followed the University's progression in the innovation space closely, and am eager to be a part of its future development. I am passionate about bringing ideas to life in order to benefit the global community – research institutions play a vital role in realising this.

"My experience working across research, industry and in close partnership with government, in all parts of the innovation system, will help me provide a strong base for the University of Newcastle to make further progression in the space," Dr Pearson said.

Holding a Doctor of Philosophy in Particle Physics from the University of Oxford, Dr Pearson has spent time working in both Australia and overseas. For more than two decades, she has driven innovation strategy and practice in corporate, research, government and whole of ecosystem arenas, and is passionate about helping Australia benefit from industrial, research and social innovation applications.

UON is playing a significant role in forging a path for transformational change in the region through the Hunter Innovation Project partnership, as well as the implementation of the UON-driven Integrated Innovation Network (I2N). Dr Pearson will play a key role in the delivery of these strategic initiatives, both of which received NSW State Government support and are creating enabling environments where researchers, start-ups and SMEs can undertake multi-disciplinary collaboration and produce the next generation of entrepreneurs.

Deputy Vice-Chancellor (Research and Innovation), Professor Kevin Hall, said the implementation of the PVC IEI role was an exciting progression in UON's work towards a smarter future.

"I am proud the University of Newcastle is making proactive steps to strengthen our ties to industry and make the world-class research happening at our institution continue to translate into global solutions.

"Dr Pearson's vast experience working between research and industry, as well as her extensive links with the international

innovation community will give our institution the leadership necessary for the University to make its mark on a global scale," Professor Hall said.

Dr Sarah Pearson will be facilitating a Hunter Innovation Festival event, Women In Innovation – The Sponsor Effect, 5pm, Thursday 25 May at Watt Street Arc. **To register go to [www.eventbrite.com.au](http://www.eventbrite.com.au) and search 'women in innovation'.**

## Regional Incubator set to help drive local innovation

A collaborative regional project developing a "virtual innovation incubator" for the Hunter region is being established.

The Regional Incubator aims to accelerate the successful development of start-up and fledgling companies, as well as more established innovative businesses or those wishing to become more innovative, by providing entrepreneurs with a wide array of targeted resources and services.

The lead organiser is Hunter Founders Forum Ltd, with an impressive list of financial supporters which includes the City of Newcastle, the University of Newcastle, Lake Macquarie City Council, NSW Department of Industry, Newcastle Now, Hunter New England Local Health District and CSIRO.

This is further backed by a group of supporters including Hunter Angels, Slingshot, DiGiT, TAFE NSW, the Lunatics Society, the Business Centre, eighteen04 and the AiGroup.

The Regional Incubator is reaching an important milestone with an Expert in Residence (EIR) application being submitted with AusIndustry.

The Regional Incubator is set to officially launch in early 2018 based on recommendations by the EIR.

A lead-in regional incubator pilot program is set to be launched on 18 April. The current list of local innovators, entrepreneurs and businesses involved in the program includes Elite Robotics, itsFOUND, Corridor Insights, Andrew Clark / Melissa Kilkelly, Blue Tail, Henry Harding, Eduardo Estrada / Manish Agarwal, ScrubIT App, Rescue Pod, Obelisk Systems, Optim Controls, The Cipher Set, New England Trading and Mobito.

Individuals or organisations that would like to either support or participate in the Regional Incubator should email Nathaniel Bavinton at Newcastle City Council on [nbavinton@ncc.nsw.gov.au](mailto:nbavinton@ncc.nsw.gov.au)

## Funding innovation

Located in Newcastle, Hunter Angels Pty Ltd was established in 2009 and comprises 26 angel investors who invest in early-stage innovative enterprises with a proven product or concept and a need for equity capital to fund expansion.

The organisation assists talented entrepreneurs to build lasting businesses of significant value, through capital investment and participation as active investors. Their primary goal is to promote the growth of emerging enterprises in the Hunter and adjoining regions through investments, and to provide a good return for investors.

Hunter Angels look to leverage our experience and competencies through careful investing in quality enterprises, and by providing entrepreneurs with mentoring in marketing, business development, operations, finance, engineering and management.

Since they are a diverse group, Hunter Angels does not focus solely on one industry. Rather, they look for companies that are in the early stage of rolling out a unique (preferably proven) and scalable product or concept. They favour investment in enterprises with realistic valuations who are investor ready, and who see an advantage in working as a team, with a diverse range of investors.

The investments to date are in a range of businesses, including information technology, pharmaceuticals/biotechnology and alternative energy.





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# UON engaging with industry to deliver innovation and impact

**At the University of Newcastle (UON) we strive to be at the forefront of positive change in our region, with a strong focus on collaboration with industry.**

UON's Three76 Hub provides a new piece of enabling innovation infrastructure in the heart of the Newcastle CBD. Three76 creates a dedicated space with specific industry-focused programming to bring together the various elements of the local innovation ecosystem – researchers, students, developers, entrepreneurs, investors, technical specialists and business advisors. Three76 is more than a co-working space – it provides a catalyst environment for research-generated knowledge by supporting start-ups and SMEs through the early stages of commercialisation. It facilitates mentoring by some of our region's best business minds and showcases the innovative potential of the local start-up community via industry networking opportunities.

Enjoy the opportunity to visit Three76 Hub and take part in events during the Hunter Innovation Festival (17-26 May), or visit our website to book a tour at your convenience.

For more information visit [newcastle.edu.au/three76](http://newcastle.edu.au/three76)

It is fair to say that information technology has dominated the news clips when it comes to technical innovation, with development of Apps in particular. Also has it attracted the bulk of Government and private funding. However, engineering tech, or the technology around machines and their connectivity, is a tower of strength in the Hunter and growing. It will carry us into the next stage of industrial development known as the Internet of Things or Industrie 4.0.

Newcastle City Council's Smart City Project in 2016 was one project which brought many of those players together to help construct the business plan and the grant application. Similarly the NCC and University of Newcastle bid for the Hunter Innovation Hub to be built at Auckland Street. Ai Group is pleased to have supported both projects.

Ai Group is also active in the innovation space. Five years ago, after a Study Tour to German Manufacturing, we created the Hunter Manufacturing Innovation Cluster. It meets roughly 6 weekly and has a mailing list of 150. The Cluster brings together innovative manufacturers, researchers, start-ups, university, TAFE, high school students (from St Phillips Christian College) to discuss some new aspect of technology each month. It brings together our "learning community in technology" which respects the achievements of people of all ages and occupations. It creates great vibes for our future industry. Our first Greater Hunter Makers Festival in November 2016 at Newcastle Jockey Club was a public manifestation of that Cluster.

Lastly, on 6 March, Ai Group organised a visit to Newcastle by Paul Duggan the Global CEO of TechShop. TechShop is a machine time-sharing and co-working space for “makers” of all ages. It is a not for profit organisation with a strong community focus. It allows members to buy time on 3D printers, CNC machines etc which are very expensive to buy. They say anyone can be trained on a machine in a very short time, then inducted and accredited. It will allow anyone to develop prototypes of their inventions. I am hopeful that we will have a TechShop in Newcastle by the end of the year to further stimulate interest in “making things” from all materials. It will be the cradle of our future makers, technologists and engineers as well as drawing from the experience of our tradespeople, technologists, creators and designers.



The Hunter has 150 years of knowledge in making, repairing and servicing equipment, devices, vehicles and infrastructure. It is ready to enter its next 50 years of “industry” growth – whatever that may become. Come along to the next Greater Hunter Makers and Technology Festival to get a glimpse.



**Adrian Price** is Regional Manager - Hunter, Central Coast and Northern NSW, Ai Group, a position he has held since July 2010. Prior to this, Adrian worked at Ai Group's Sydney and Western Sydney offices for 12 years as well as for 2½ in the Newcastle office before his appointment as Regional Manager. Adrian has also had experience in HR and IR roles in State Government Departments.

## Innovation - are we there yet?

The Vice-Chancellor of the University of Newcastle, Professor Caroline McMillen, asked the question of a panel of leaders sharing their experiences of local jobs growth at the Hunter Research Foundation (HRF) Centre's recent Hunter Economic Breakfast in Newcastle.

The panellists' answers were emphatic – innovation remains essential to ensure the regional economy continues its recovery and sustains growth into the future.

The Hunter's troubling youth unemployment rate has fallen to 8.5 per cent in the December 2016 quarter (3-month moving average), dropping by almost 11 percentage points below its November 2014 peak – its lowest reading since 2011. It was part of a marked recovery in the Hunter labour market, which has seen jobs growth of 11 percent (adding 31,300 jobs), more than double the NSW rate (4%).

"One of the great things about the Hunter economy is our ability to collaborate," Mr Sansom said, "and when we come together, we achieve great things but we mustn't give up. We have to continue to innovate and diversify because we live in a changing environment."



Hunter Area Manager for global professional services firm AECOM, Ian Richardson, said that innovation and collaboration are essential to sustain jobs growth in the Hunter.

"We need to be courageous in our discussions about industry change and where the jobs of the future will be created. At AECOM, we are investing in information modelling and in using virtual reality and digital innovation in cities."

Professor McMillen said that there was exciting potential for innovation at the intersection between new and traditional industries in the Hunter.

The third breakfast panellist, Managing Director of The Bloomfield Group Brett Lewis, talked about the effects of the downward pricing of coal on the operations of the Hunter coal industry.

"One of the up-sides has been the need for the industry to look at itself and its processes, which encouraged innovation across mining processes, information technology and our marketing," he said. "Innovation is core to the longevity of the coal industry in Australia. While we have a quality product, in order to support the costs associated with Australia's high standard of living, being leaders in innovation is even more critical for us in order to sustain Australian coal's commercial viability into the future."

The Hunter Research Foundation (HRF) has been researching issues around business innovation in the Hunter since 2009, including regular monitoring of the level and characteristics of innovation by Hunter businesses.

The HRF Centre at the University of Newcastle will continue to keep a finger on the pulse of local innovation and will also seek to inform the debate around the continuing need for innovation and diversification in our economy. The Centre's latest Hunter business innovation research findings will be released at the next Hunter Economic Breakfast, a Hunter Innovation Festival (HIF) event, to be held in Newcastle on Friday, 26 May.

**Find out about the breakfast on the HIF site or at [www.newcastle.edu.au/hrfc](http://www.newcastle.edu.au/hrfc)**

## The Rippler Effect registrations open

Registrations are now open for the next intake of The Rippler Effect innovation program, commencing in June. The program comprises a series of seven workshops that enable participants to embed innovation into their organisation. It provides business owners, managers and future leaders with strategies to improve profitability, create an innovative culture and develop projects for future growth and sustainability.

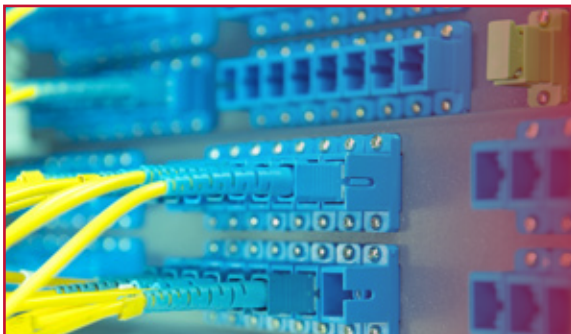
**Visit [www.businesscentre.com.au](http://www.businesscentre.com.au) for further information.**

## Local innovation companies join forces

Local Hunter region businesses Tributech and Laughing Mind are merging their Atlassian support services into a new joint company, Assemblant, as a Newcastle based, globally focussed Atlassian Solutions Partner. With Brian Hill and Colin Goudie working together as CoFounders, the pair brings together their experience in delivering Atlassian solutions to a broad range of industries to tackle new challenges with a larger team.

With clients in Melbourne, Adelaide, Canberra, Sydney and USA, Colin and Brian want to give the Atlassian ecosystem a strong regional presence, creating pathways and opportunities for local graduates to work with globally recognised collaboration products.

"We've been working together on a range of joint customers over the last 5 years, specialising in Business Operations, Process + Service solutions - with Atlassian diving into new markets, bringing their legendary team collaboration products to Businesses in products like JIRA, Confluence and JIRA Service Desk, now is the time for us to be scaling and creating new opportunities for our diverse local talent pool" said CoFounder, Brian Hill, "We've got some exciting projects shaping up and are looking to grow experienced Atlassian resources to provide depth in our service and product offerings to meet client demands and create some compelling new products."



# AiGROUP

Committed to the **success** of Hunter industry

**Ai Group** is a national peak industry association which represents businesses in many sectors including: manufacturing, engineering, construction, transport, defence, mining equipment and electrotechnology.

**Ai Group Hunter** is also at the forefront of leading local industry to success through innovation, collaboration and globalisation.

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- Representation to Government
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- Work Health and Safety services
- Business development services
- Training and Development

### We also offer support to your professionals through the following networks:

- Industry policy and strategy
- Human resources management
- Safety leadership
- Lean Manufacturing
- Industry Skills strategy
- Innovation Cluster

## An update on innovation in the Hunter

**James Stevenson**  
**Ryan Gray**  
**McCabes Lawyers Newcastle**

With the Hunter Innovation Festival around the corner, it is timely to reflect on how Hunter-based start-ups, innovators and entrepreneurs are tracking during a time where measures to boost innovation are high on the agenda for policy makers.

At a national level, the OECD's 'economic Survey of Australia 2017'[1] released in March 2017 presents an underwhelming picture of innovation in Australia. Of the key findings, it was interesting to note that Australia ranks last of all OECD countries when it comes to collaborative research between higher education or research institutions and businesses. Collaborative research is an important channel for the commercialisation of publicly funded research as well as to ensure the ideas generated by our academics are commercialised into useful products and services. The report suggests this reflects a low priority on collaboration, weak mobility between research and business sectors (including industry placement programmes) and issues in university management of intellectual property.

The 'stagnation' presented in the OECD report is not necessarily reflected in the performance of start-up businesses that we have recently been working with in the Hunter and other parts of Australia. The Hunter Region is Australia's largest regional economy with an economic output of over \$40 billion per annum, a regional population greater than 720,000 and a global top 250 University.[2] With both the Federal Government[3] and NSW Government[4] announcing initiatives designed to promote innovation, we think the Hunter should be well positioned to capitalise on its aspirations to be a leading innovation and "smart" region.

In the last 12 months, we have worked with a number of clients who have successfully collaborated with universities and research institutions to develop and commercialise good ideas into successful business ventures. Other clients have partnered with IP owners and manufacturers to jointly deliver new products to market. Examples include:

- assisting local entrepreneurs investigating commercialisation of new products including using intellectual property developed by UoN;
- advising a client taking advantage of an Australian Research Council Linkage Grant to commercialise new products in the transfusion medicine and blood group serology market; and
- assisting a local mining services business to manufacture, develop and sell innovative mining products in collaboration with companies based in the US and China.

The OECD report suggests that if Australia is to create an 'Ideas Boom', it needs to create a culture of innovation that encourages and supports entrepreneurs. While more needs to be done to assist our start-ups and innovators (including at a political level), we are seeing a much improved culture of innovation in the Hunter. It seems the Federal Government is alert to this, recently launching RDA Hunter's "smart specialisation strategy".

It remains to be seen whether the political talk can be converted into meaningful policies to provide support for our regions innovators.

[1] For a full copy of the OECD report, see: <http://www.oecd.org/australia/economic-survey-australia.htm>.

[2] 2017 Hunter Investment Prospectus published by Hunter Business Publications in conjunction with RDA Hunter.

[3] For more on the Australian Government initiatives, see: <http://www.mccabes.com.au/innovation-2/>.

[4] For more on the NSW Government initiatives, see: <http://www.mccabes.com.au/tech-innovation-update-whats-big-idea-nsw-innovation-strategy/>.

**For further information contact McCabes Lawyers Newcastle on (02) 4040 9640, email [info@mccabes.com.au](mailto:info@mccabes.com.au) or visit [www.mccabes.com.au](http://www.mccabes.com.au)**

# create



**James Stevenson** is a Consultant at McCabes Lawyers Newcastle, specialising in commercial transactions, mergers and acquisitions and corporate structuring. James has over 20 years of experience in advising clients across a range of industries in the commercialisation of their ideas.



**Ryan Gray** is an Associate in the Corporate and Commercial team at McCabes Lawyers Newcastle. Ryan specialises in corporate structuring, mergers and acquisitions and commercial arrangements.

## The Future is The Internet of Things

The Internet of Things (IoT)<sup>1</sup> is set to impact all our lives. The economic scale is staggering - Gartner predicts a \$USD 2 trillion IoT market by 2020. Industry is scrambling to connect their things: utilities and their meters, manufacturers and their machines, farmers and their tractors; all in the name of greater efficiency and new opportunities.

But the IoT is not just for big business. Citizens from all walks of life are playing active roles in how the IoT impacts their lives. Sick of shopping trolleys dumped in your local drain? Why not have trolleys that phone home? Worried that Apprehended Violence Orders aren't keeping your loved ones safe? How about a personal distress beacon with proximity detection? Want to see more bike paths? What about a network of bike trackers to inform data-driven decisions?

The IoT will be all around us, from the Smart Workplace to the Smart Home to the Smart City. And IoT will be a hot topic in this year's Hunter Innovation festival.

Newcastle IoT Pioneers, NewieVentures, Hunter TAFE and Newcastle City Council have joined forces to deliver a workshop where anyone can access the knowledge and the latest tools to build their own IoT solution. Join us at 5:30pm on Tuesday 23rd May at Tighes Hill TAFE for the IoT Workshop.

<sup>1</sup> **The Internet of Things (IoT)s: A network of internet-connected objects able to collect and exchange data using embedded sensors.**



## Smart IP for a smart city

**Will Hird, Marion Heathcote, Gavin Recchia, Lauren Eade  
Davies Collison Cave – The Newcastle Team**

It's set to be an exciting year for innovation in Newcastle. Smarter Cities initiatives are underway including cabling projects for "living labs", TAFE "sandboxes", incubators are flourishing, the University's new city campus is almost complete, and of course local innovators are working hard.

It goes without saying that IP rights are critical to innovation. However, the start-up phase can be a difficult time for IP protection. On the one hand, start-ups are increasingly aware that a failure to take appropriate IP protection measures in the start-up phase can result in valuable IP rights being irretrievably lost – and of course, of the undeniable value of strong IP rights when seeking investors (as one of our clients recently put it, "venture capitalists just love patents"). On the other hand, broad IP protection can be a substantial cost for start-ups, often when they are least able to afford it. This can lead start-ups to conclude that IP protection is an all or nothing business, and that if they can't afford to invest in strong IP protection across the board, they shouldn't bother at all. Nothing could be further from the truth.

The innovation boom in Newcastle is therefore a great opportunity to think about the many cost-effective measures start-ups can take to strategically position themselves to capitalise on their IP in the future.

The one thing that almost all start-ups (and all businesses) have in common is a brand concept which is underpinned by a trade mark. The good news is that, provided a start-up selects its trade mark with care, trade mark protection is a low cost exercise. There are also some steps you can take to ensure the trade mark registration process is smooth:

- Select a mark that is individual and unique. Avoid descriptive names, e.g. 'Salty Crackers'. Know your market. Look at your competitors and distinguish yourself.
- Make sure that the rights in any parts of your trade mark which are created by third parties (eg. Logos designed by creative agencies) are assigned to you.

- Search it. A simple search on the name can help gauge whether it's unique, but it will save you time and money in the long run to have a professional advisor conduct a 'clearance search' to ensure the trade mark is able to be used and registered.

Proper trade mark protection ensures that start-ups can extract full value from their future investment in marketing, avoids the potential risk of costly rebranding in the case of unforeseen conflict with third party rights, and can help attract investors.

While seeking patent protection is often considered an expensive exercise, the reality is there are also cost-effective strategies start-ups can take to protect their innovations so as to ensure that valuable IP rights are not eroded. Start-ups should regularly review their innovation output to consider what IP may be protectable. This can assist in prioritising investment in IP protection on the highest value IP rights, but also enables start-ups to take appropriate measures to preserve their rights. For example, if the innovation output includes patentable innovations in the development phase which cannot yet be registered due to resource constraints, start-ups can take measures such as avoiding public disclosures of innovations for as long as feasible to improve the prospects of registering a patent at a later date, when resources permit.

Smarter Cities initiatives such as "living labs" and sandboxes are fostering a collaborative model of innovation, which will promote faster and more efficient innovation. However, start-ups should bear in mind that collaborative innovation has challenges for IP ownership. If you are using third party facilities or input in your innovation (for example, "living labs" data, third party software, patented technologies or an innovation partner's skills), consider who will own the innovation, and whether agreements with third parties are required to secure your rights to protect or commercialise the innovation. If so, it is far better to settle the terms up front than in the commercialisation phase.

**For further information contact Davies Collison Cave on (02) 4960 8366, email [leade@davies.com.au](mailto:leade@davies.com.au) or visit [www.davies.com.au](http://www.davies.com.au)**

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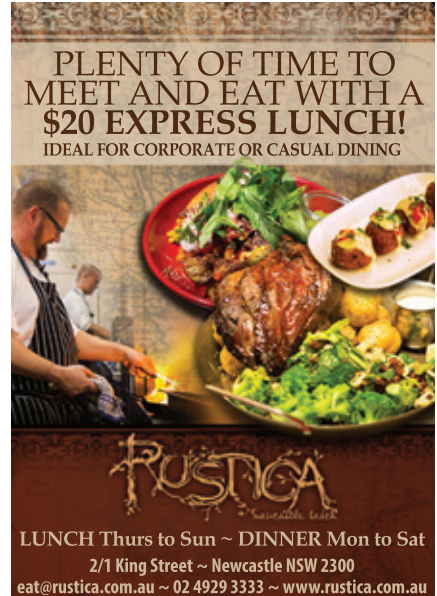
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A mathematician runs in to a logistician at his favourite bar. In the course of conversation, they make a wager; whoever is the first to memorise all the digits in pi collects \$100 dollars. A week later the mathematician and the logistician meet up at the same bar.

The mathematician, hoping to fool the logistician into giving up on the bet says, "pi is irrational, and continues on forever. No one wins the bet."

However, the logistician is shaking his head. He says, "I memorized every digit in pi!"

The mathematician says, "you can't have, it's impossible. Tell me all the digits then."

The logistician says, "0 1 2 3 4 5 6 7 8 9. I just don't have them in order."



A physician, an engineer, and a politician were discussing who among them belonged to the oldest of the three professions.

The physician said, "Remember, on the sixth day God took a rib from Adam and fashioned Eve, making him the first surgeon. Therefore, medicine is the oldest profession."

The engineer replied, "But, before that, God created the heavens and earth from chaos and confusion, and thus he was the first engineer. Therefore, engineering is an older profession than medicine."

Then, the politician spoke up. "Yes," he said, "But who do you think created all of the chaos and confusion?"



During his physical, the doctor asked the patient about his daily activity level.

He described a typical day this way:

"Well, yesterday afternoon, I waded along the edge of a lake, escaped from wild dogs in the heavy brush, jumped away from an aggressive brown snake, marched up and down several rocky hills, stood in a patch of stinging nettles and crawled out of quicksand."

Inspired by the story, the doctor said, "You must be one hell of an outdoorsman!"

"Nah," he replied, "I'm just a crappy golfer."



A missionary was going in to the most remote section of Africa. He found a native that would take him upstream to a tribe of head-hunters cut off from civilisation. In the distance they could hear drums. "

What is that drumming?" he asked nervously.

The native replied, "Drums okay, but if they stop it would be very bad".

The drums continued for three days as they got closer to the head-hunter's village. Then without warning the drums suddenly stopped. The forest fell eerily silent.

With panic in his voice, the missionary calls out to the guide, "The drums have stopped! What happens now?"

The guide crouched down, covered his head with his hands and with despair in his voice, answered, "Tuba solo."



Bradley sat by the lake dressed in his finest evening wear, he had his fishing rod in his left hand and a fine Cuban cigar in his right. He'd been at the lake for over 4 hours and hadn't caught a thing. His friend Joe arrived at the lake and noticed this strange scene.

"Hi Bradley you're looking rather dapper today, you're getting a lot of attention from folks at the lake bud, but you won't catch anything with that technique."

"Don't worry about it Joe, I'm just fishing for compliments."



Instead of "the John," I call my toilet "the Jim."

That way it sounds better when I say I go to the Jim first thing every morning.

#### QUOTE OF THE MONTH

"Innovation distinguishes between a leader and a follower."

- Steve Jobs



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A person wearing a business suit is surfing on a large, powerful wave. The surfer is positioned in the lower half of the frame, riding the face of the wave. The water is a deep blue-green, and the spray of the wave is white and turbulent. The overall mood is one of freedom and adventure, contrasting the professional attire with the recreational activity of surfing.

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