

HBR

Hunter Business Review

SEPTEMBER 2014
VOLUME 10 NUMBER 8
Print Post Approved 100002454



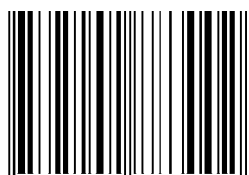
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Murray and Denise McKeough
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CONTENTS

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Published monthly (except January)

Circulation: 7,000

www.HBRmag.com.au



GARRY



SANDIE



MEGAN



JUDY



JASON

4 From the Editor

5 Business News

18 On the Job

19 Business Advice

23 On the Move

24 Business Technology

27 Human Resources

34 Business Financing

40 Mining & Energy Update

49 Business Services Directory

50 Funny Business

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UNLEASHING POTENTIAL

Science, Technology, Engineering and Mathematics: Australia's Future released by the Chief Scientist for Australia is an important document that outlines steps Australia needs to take to build a stronger, more competitive nation.

Available at www.chiefscientist.gov.au, the report covers such aspects as building competitiveness, supporting high quality education and training, maximising research potential and strengthening international engagement.

In our ever increasingly technology-driven world, it should be blatantly obvious to everyone that STEM (Science, Technology, Engineering and Mathematics) will be vital to Australia's future prosperity.

The scary fact is that Australia is the only OECD country without a science or technology strategy. In fact we no longer even have a department with the word science in its title.

A science/technology strategy that brings together government, business, research and education needs to be put in place as soon as possible. It is not a maybe; it is an essential ingredient for our economic future.

So the question is, do we as a nation not believe that STEM is important or do we not care about our future?

Are there any politicians with some vision that will help drive a science strategy?

For the sake of our economic future we should all hope so.

"The scary fact is that Australia is the only OECD country without a science or technology strategy. In fact we no longer even have a department with the word science in its title."

Garry Hardie
Publisher & Editor

GARRY HARDIE PUBLISHER & EDITOR



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Hunter Business Review

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November - Deadline 10 October
Manufacturing

December - Deadline 10 November
Women in Business + Mining & Energy Update

For more information call
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The Greater farewells CEO

Don Magin retired from the Hunter-based Greater Building Society on August 22 after almost 28 years service, including six and a half years as CEO.

Greater Chairman, Wayne Russell, said Don was leaving The Greater in very good financial shape and had laid strong foundations in customer service, marketing and IT.

Ian Nelmes was The Greater's chairman for 22 years and is now the chairman of the Greater Charitable Foundation. He poached Don from BHP to head up The Greater's IT department. He said Don's work to modernise and strengthen The Greater's core banking systems prevented it from being a takeover target by other financial institutions at that time.

Don was appointed Assistant General Manager in 1989 and then CEO in 2008.

His achievements include the establishment of The Greater's Newcastle call centre. The Greater's innovative "get a home loan, get a free holiday" campaign, introduced more than 10 years ago, increased lending by more than 70 per cent in the first year. Don went one better as CEO and signed global comedian Jerry Seinfeld to successfully raise the Greater's profile as a competitor to the increasingly dominant big banks post GFC. In 2011 he established the Greater Charitable Foundation which has already provided more than \$4M of Greater profits to charities.

Don will continue in his local roles as a director of Hunter Research Foundation, Hunter Medical Research Institute and Heal for Life Foundation.



"Don was leaving The Greater in very good financial shape and had laid strong foundations in customer service, marketing and IT". Greater Chairman, Wayne Russell.

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Varley group wins \$40M contract

Varley Group has been awarded a \$40 million subcontract by Prime Contractor, Rheinmetall MAN Military Vehicles Australia (RMMVA), to supply an extensive fleet of 563 specialised logistical vehicle Modules for the Australian Defence Force (ADF).

The Land 121 Phase 3B capability represents the supply of approximately 2500 Medium and Heavy Military Vehicles and 3000 Modules totalling \$1.6 billion.

Varley's Defence Division collaborated with RMMVA throughout the tendering and selection process to present a comprehensive proposal to meet ADF specifications.

The vehicles are based on Military Off-The-Shelf (MOTS) products and are designed to enhance the operational effectiveness, survivability and mobility of the Australian Army.

The Module deliveries will commence in 2016 with completion in 2020. The Varley Contract includes an initial design and development phase commencing in 2014. It is expected that the capability will require a further 15-20 years of through life support services following introduction into service.

Varley Group will be manufacturing the vehicle Modules at its Tomago (Newcastle) facility and expects to bring an influx of trade and engineering opportunities to the Hunter region.



Compass Housing expands into QLD

Hunter-based social and affordable housing provider Compass Housing is expanding into Queensland, merging with Brisbane-based housing provider 4walls.

4walls will now be known as Compass Housing Services Co (Queensland) Ltd.

Compass Housing group managing director Greg Budworth said Compass Housing is now the largest provider of community housing services operating in QLD and NSW, managing more than 4,200 dwellings. Compass Housing was already the largest regional housing provider in Australia, managing approximately 3,350 tenancies in the Hunter, Central Coast, Dubbo, and other parts of NSW.

Hamilton-based Compass Housing Services was established in 1984 and also has local offices in Newcastle, East Maitland and Muswellbrook. Last month it opened the first two of 20 new homes being built in the Hunter and Central Coast under a new funding program for people with a disability. The NSW Government recently announced that Compass will be vested the title for the affordable housing units to be contained within the old Empire Hotel redevelopment in Newcastle. Compass Housing also co-ordinated the organisation of this week's highly successful Hunter Homeless Connect Day.

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Plans released for \$500M theme park

Australia-China Theme Parks have released extensive plans for the 15 hectare Chinese Cultural Theme Park to be located at Warnervale on the Central Coast and the development application for the first stage of this \$500M project is ready to be lodged with Wyong Shire Council.

The park – to be called Chappypie China Time – aims to integrate Chinese 'culture, nature and spirit'. A variety of entertainment, cultural, accommodation and retail areas are included such as a history of calligraphy, panda paradise, a theatre for traditional drama and musical performances, Chinese landscape gardens, and a panorama of Chinese history.

Representing a significant investment in tourism and economic development for the region the project due to open in stages from 2016 will not only create jobs for the area but will also have a flow on effect that will benefit local retailers and the hospitality sector.

TAFE and Mai-Wel sign MOU

A partnership between Hunter TAFE and the Mai-Wel Group that will deliver additional skills training opportunities for people with disabilities in the Hunter region has been agreed to.

The two organisations have signed a Memorandum of Understanding (MOU) that will provide customised training and supported programs for people that are employed or assisted by the Mai-Wel Group.

This agreement is part of the Hunter TAFE's wider commitment to the community by establishing partnerships that provide skills training and education to enhance the region's ability to grow and prosper

Newcastle NOW unveils app

An App that will give you the low down on what to see, and do, plus where to shop, eat, stay and more in Newcastle's CBD has been launched by Newcastle NOW.

The App has been 18 months in the making, and it's been created on a shoe-string budget. According to Deb MacKenzie Vice-Chair Newcastle NOW, it's a work in progress. "What you see today is a big accomplishment on a tight budget. We'll constantly strive to better the content and the experience for users. Newcastle NOW has dedicated a staff resource to populating content. This isn't the first time someone has tried to provide a go-to place for information but they often fail because keeping content updated is a significant commitment. We've factored this in to ensure the Newcastle NOW App will have longevity and relevance."

Future opportunities for the App include parking, wayfinding and disability access.



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Smart schools secure the Hunter's future

Phase One of RDA Hunter's ME Program, which builds smarter schools, is now complete.

The Program funded through the Defence Materiel Organisation (DMO) has seen 7,500 students participate. Since 2010 there's been 25 Hunter high schools that have engaged with 32 Hunter based companies. These smart schools together with local industry are building a skilled and tailored workforce for the future.

The ME Program has increased maths and science based subject selection in its partner schools; created iSTEM – a Board of Studies approved course implemented across NSW; and developed the Living Toolkit – a set of problem based learning resources for teachers.

It has also improved its industry partners' access to a pool of ready, skilled staff. Industry partner, Ampcontrol, reported a 70% increase in the uptake of apprentices from 2012 to 2013.

"The results of the first phase of the ME Program have shown it to be a hugely successful model," said RDA Hunter CEO Todd Williams

"With the majority of Hunter high schools linked with the region's key industry, outcomes have surpassed all expectations. We are very proud of the Program's status as Australia's most innovative workforce development program."

Phase Two of the Program starts in 2015.

To download the ME Program Outcomes Report visit www.rdahunter.org.au/initiatives/initiatives



Crema Coffee House continues to grow

Crema Coffee House at Broadmeadow has built an impressive reputation as a specialised boutique roastery supplying fine coffee to cafes and home enthusiasts throughout Newcastle and Australia.

They are currently, however, experiencing significant growth into the business market where local business owners and managers are discovering significant benefits by installing their own fully serviced freshly ground coffee machines.

The in-house facilities not only allow businesses to impress current and future clients with a professional cup of coffee but also help to increase productivity.

In many business staff actually go out of the office for a good cup of coffee. By having the facilities in-house, staff can quickly get their coffee and get back to work.

Businesses also often report that the facilities help improve staff communications and interactions by making people feel more comfortable and relaxed at work.

Morale is also often improved, with staff appreciating the facilities and the workplace being more humanised.

Crema Coffee House says that whilst businesses readily accept the benefits of having quality in-house coffee making facilities, there is often the misconception that having quality coffee making facilities in-house will be very expensive. Most that clients are pleasantly surprised when they carry out a cost comparison.

nib extends support for Knights

The Newcastle Knights and nib health insurance have announced a new three-year partnership that will see nib's length of support extend to 30 years with the Club. nib has supported the Knights since the Club's foundation season in 1988 and has held the jersey sleeve position since 2003. Mark Fitzgibbon, nib CEO said "The Newcastle Knights sponsorship plays an important role in delivering national brand exposure for nib as well as meaningful engagement with NRL fans and the Hunter community."

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An unlikely partnership to improve drinking water

Hunter Water and local dairy farmers have embarked on a ground breaking project as part of a four-year, \$4 million investment in improving the quality of the region's water supply and boosting local fish stocks.

The Catchment Improvement Program sees Hunter Water working with dairy farmers in Port Stephens and Dungog to stop cow manure runoff entering the local water supply.

Improving the runoff from these properties means drinking water will require less chemical disinfection before it can be consumed by the community. Hunter Water's Catchment Scientist Rhys Blackmore said "Less pollution entering local waterways means more healthy fish, greater biodiversity and less algae produced."

The Catchment Improvement Program will be delivered in partnership with Port Stephens and Dungog Councils, and Local Land Services. Hunter Water will work with landowners on property inspections, education and funding to improve runoff to protect local catchment areas.

Resources for Regions

In the current round of funding in the Resources for Regions, eleven Local Government Areas are eligible to apply for a share of up to \$89 million.

Cessnock City Council became eligible to apply for funding in May and has recently identified 11 projects appropriate to progress to the Expression of Interest submission stage.

The list includes a joint submission with Singleton Council to upgrade Old North Road, Hermitage Road, and Deasey Road that will also incorporate a cycleway; upgrade works on various roads to improve safety, and the replacement of four existing timber bridges.

New era, new name for Hunter research body

Hunter Valley Research Foundation is undergoing change; building on their strengths to become more connected and insightful. To reflect this new strategic direction, they have rebranded and changed their name. CEO Dr Brent Jenkins announced that the new name – Hunter Research Foundation (HRF) – retains a strong connection to the previous name while drawing attention to the changed vision of the Foundation – Future-proofing our Region.

While the Research Foundation has built a reputation around the rigour of its research approach over its 57-year history, the new brand announces a new era for the iconic organisation.

"We want to be known for more than just data and information," Dr Jenkins said. "Our new mission is to deliver 'insights that move the Hunter forward'. We will look beyond the current situation and use our wisdom and foresight to address the issues facing the Hunter's future."

The HRF team is working more collaboratively with stakeholders to ensure their research is relevant and leads to practical solutions and recommendations. The new logo, developed by Enigma Communications, visually communicates the Foundation's aim to be a leading light for the Region, providing a strong voice and funnelling research and data into insights to guide a better future.

The new name and logo will be reflected in all the Foundation's communications materials, rolling out over the coming months.



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Indigenous trainee leads the way

Being an inspiring role model for his community and family is what motivates Indigenous trainee Nathan Anderson to achieve in the workplace and beyond.

The HVTC Hunter warehouse trainee has been nominated for a state Indigenous trainee of the year award, and has also won a scholarship for a five-day national leadership program.

Nathan, who is hosted by Centennial Coal, has been named one of five finalists for Indigenous Trainee of the Year in the upcoming 2014 NSW & ACT Group Training Association (GTA) Awards. Winners of the awards will be announced on Friday October 17th.

The young father and footy fanatic was also one of 21 group training apprentices and trainees from around Australia invited to attend a Today's Skills; Tomorrow's Leaders leadership program held during August, in Canberra.

HVTC CEO Sharon Smith congratulated Nathan on his achievements as well as the six other HVTC apprentices and trainees nominated as finalists in the NSW & ACT GTA awards.

Empire Hotel residential
redevelopment
(artist's impression).



Hunter
Development
Corporation



New apartments and commercial office space
on Honeysuckle Drive (artist's impression).

HDC – REVITALISING NEWCASTLE

Hunter Development Corporation (HDC) continues to contribute to the revitalisation of Newcastle's city centre through a variety of projects.

HDC is working closely with other agencies and stakeholders to build the Newcastle of the future.

www.hdc.nsw.gov.au



The extended **Worth Place Park**
will be family friendly open space.



Margan's winning hat trick

Margan was a big winner at the tourism awards, taking out Gold for best Tourism Wineries, Distilleries & Breweries, Gold for Excellence in Food Tourism and Gold for Excellence in Sustainable Tourism, adding to the growing list of recent awards.

The awards follow on from an array of recent awards, including:

- ★★★★★ **5 Star Winery James Halliday Wine Companion 2009 – 2015 Top Ten Regional NSW Restaurants**- Gourmet Traveller Restaurant Guide 2012, 2014
- Winner** - Excellence in Sustainable Tourism, Hunter Tourism Awards 2013
- Winner** - Best Winery, NSW & Hunter Tourism Awards 2013, Silver Australian Tourism Awards 2013
- Winner** - Sustainable Restaurant of the Year SMH Good Food Guide 2014
- Winner** - Hunter Valley Cellar Door of the Year 2013
- Winner** - Best Restaurant, Australian Tourism Awards 2012
- Winner** - Best Restaurant, NSW & Hunter Tourism Awards 2010, 2011, 2012 - Hall of Fame
- Winner** - Sustainable Restaurant of the Year & Regional Wine List of the Year SMH Good Food Guide 2011

Lisa and Andrew Margan are very pleased with the recognition that their business has been receiving.

"Margan is committed to producing wine sustainably and are proud to be acknowledged for our efforts," said Lisa Margan.

"Our land is managed in a balance of vineyard, winery, cellar door and restaurant operations with care for our open space and native vegetation -to produce exceptional wines and provide our guests with memorable experiences."

Andrew Margan commented "It is a huge honour to be awarded Gold at the Hunter & Central Coast Tourism Awards again as it reaffirms our commitment to quality, passion for wine and food and for providing a unique experience for our guests."



Hunter and Central Coast Awards for Excellence in Tourism

The QantasLink 2014 Hunter and Central Coast Awards for Excellence in Tourism were announced in front of hundreds of industry representatives on 6 August.

There were 56 finalists from 45 individual companies aiming for gold across 22 categories. Gold winners proceed to the NSW Tourism Awards to be held in Sydney on 27 November.

The winners were:

Tourist Attractions: Gold - Blackbutt Reserve

Festivals and Events: Gold - Snow Time in the Garden, Hunter Valley Gardens; Silver - Convict Footprints on the Old Great North Road, NSW National Parks & Wildlife Service

Ecotourism: Gold - Blackbutt Reserve; Silver - Hunter Wetlands Centre

Heritage and Cultural Tourism: Gold - Newcastle Ghost Tours

Indigenous Tourism: Gold - Sand Dune Adventures

Visitor Information and Services: Gold - Singleton Visitor Information and Enterprise Centre (Hall of Fame); Silver - Port Stephens Visitor Information Centre

Business Tourism: Gold - Chateau Elan at The Vintage Hunter Valley; Silver - Scone Motor Inn & Conference Centre

Tour and/or Transport Operators: Gold - All Australian Journeys

Adventure Tourism: Gold - State Forests of the Watagan Mountains, Forestry Corporation of NSW (Hall of Fame); Silver - Glenworth Valley Outdoor Adventures; Bronze - Chapman Valley Horse Riding; Highly Commended - Beyond Ballooning - Hot Air Balloon Rides over the Hunter Valley Wine Region

Destination Marketing: Gold - Cruise Hunter 2014 Cruise Prospectus: Share the Secret of Newcastle, Australia; Silver - Port Stephens: Unconventional Destination Marketing campaign

Tourism Restaurants and Catering Services: Gold - D'Vine Group

Tourism Wineries, Distilleries and Breweries: Gold - Margan Wines; Silver - Bimbadgen

Tourist and Caravan Parks: Gold - Halifax Holiday Park; Silver - Toowoomba Bay Holiday Park & NRMA Ocean Beach Holiday Park

Hosted Accommodation: Gold - Noonaweena; Silver - Hermitage Lodge; Bronze - The Acreage Luxury B&B and Guesthouse

Unique Accommodation: Gold - Golden Door Health Retreat & Spa Elysia; Silver - Banjos Bushland Retreat; Bronze - The Sebel Kirkton Park Hunter Valley; Highly Commended - Casa La Vina

Deluxe Accommodation: Gold - Crowne Plaza Terrigal; Silver - Scone Motor Inn; Bronze - The Nelson; Highly Commended - The Vintry

Luxury Accommodation: Gold - Chateau Elan at The Vintage Hunter Valley

New Tourism Development: Silver - Hollydene Estate cellar door & restaurant

Qantas Award for Excellence in Sustainable Tourism: Gold - Margan; Bronze - Crowne Plaza Terrigal

Excellence in Food Tourism: Gold - Margan Restaurant & Winery

Young Achiever in Tourism Award: Gold - Gemma der Kinderen, The City of Newcastle

Outstanding Contribution by an individual to local tourism: Gold - Kevin Doherty, Upper Hunter Country Tourism & Tars Bylhouwer, Destination Port Stephens



Volunteers sought for the International Children's Games

This December, Lake Macquarie will host the prestigious International Children's Games, and they are seeking volunteers. In the lead up and during the Games, volunteers will be assigned to areas according to their skills, past experience and availability. All volunteers will undergo an induction and training to ensure they have the information and support relevant to their role.

To get involved or find out more, visit: www.icg-lakemacquarie2014.com

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Seminar for women in business

The first Newcastle & Hunter Growth Seminar will be held on September 25 at Crowne Plaza Newcastle. The event aims to bring together women in the business community to connect, network and grow in both work and life.

Hosted by some of Newcastle & the Hunter's leading and most passionate women in their area of expertise and featuring an 'I Love myself' workshop and talk on personal growth with Shivani Gupta, a style master class with Westfield's FiFi Milne, 'Yoga as a way of life' with Cveta Jovanoska, wealth creation with a representative from the Commonwealth Bank, health, body and nutrition advice from Mary Woolley, Sue Hart and the Forum, and much more. **Please note this event is for women only.**

Greater customers are most satisfied

The Hunter based Greater Building Society has won another Roy Morgan monthly customer satisfaction award this month.

It's an award the building society has won every month since January 2013, and the most continuous monthly awards won by any building society surveyed.

This is a record achievement for the customer owned building society which out rates the best performing major bank by more than 10 per cent. The customer satisfaction ratings are collected from Roy Morgan's national, single source survey of approximately 50,000 Australians annually – the world's largest ongoing single source survey.

Major refurbishment to help Close the Gap

Awabakal Newcastle Aboriginal Co-operative has unveiled major refurbishments to its Aboriginal Primary Health Care Centre in Hamilton. The \$800,000 investment was undertaken to meet the growing health and medical demands of the Aboriginal community. Currently the Centre provides primary health care services to about 8,000 people per year.

Awabakal CEO, Don MacAskill, said that growth in patient numbers together with the organisation's commitment to plan for future needs led to a comprehensive review last year.

"The number of Aboriginal people with chronic health disease is growing due to poor diet, smoking and a fear of going to the doctors. We are constantly looking at ways to work smarter and make sure that Aboriginal health is viewed as a long-term commitment by the whole community," Mr MacAskill said.

"The review identified that services provided through the Centre were growing an average rate of 60 new patients per month."

The Centre is supported by the new Awabakal Mobile Medical Service (MMS truck) which is designed to enhance the clinical service.

The refurbishments include additional consulting rooms, improved disabled/wheelchair access and better security. A great deal of work has gone into improving patient flow access across the areas of reception to triage, consult and chronic care while internal doorways and resus rooms can now be accessed by NSW Ambulance gurnies.

The Federal Shadow Minister for Indigenous Affairs, The Hon Shayne Neumann MP, joined Awabakal to re-open and inspect the renovated Centre and the MMS truck.

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 **Royal Institute for
Deaf and Blind Children**
— Changing Lives in the Hunter —



Awabakal CEO, Don MacAskill, Federal Member for Newcastle Ms Sharon Claydon and federal Shadow Minister for Indigenous Affairs The Hon Shayne Neumann MP.

Newcastle law firm sets national benchmark for innovation

Newcastle firm, Nexus Law Group, has been attracting national attention for its innovative practice model, which brings together some of the country's best legal practitioners into a combined practising network that can be directly accessed by clients. Working under a common IT platform, the model allows lawyers to work together from client or satellite offices, whilst being supported from a national 'hub' run to meet back office demands. This innovative work system allows Nexus to deliver the same specialist skill and knowledge found in the top-tier, at up to half the cost.

Since opening in Newcastle in 2011, the Group has grown to include additional offices in Brisbane, Melbourne and Sydney, but Newcastle remains the firm's national 'hub'. The Nexus Network now includes 17 Consultant Partners, all of which have senior experience in some of Australia's most prestigious firms. Lawyers concentrate on their own area of specialisation and refer work to other specialists on an as needs basis, ensuring the best qualified lawyer handles any given matter. Founder and Principal of Nexus, Marcus McCarthy says:

"The changing business landscape in Australia requires a shift in the way the legal industry thinks about the best way to offer value to clients. To stay relevant, firms must be able to demonstrate real worth to the organisations with which they work. Adopting innovative firm practices will help the legal industry stay up-to-date with business norms and lead to more financially efficient outcomes for both clients and practitioners".

NDIS expands to Lake Macquarie

The National Disability Insurance Scheme (NDIS) recently reached its 1 year milestone and has now expanded to Lake Macquarie.

Minister for Disability Services John Ajaka confirmed the Government's commitment to supporting a disability service model that offers choice and control to people with disabilities.

In 2014/15 the NDIS will become available to residents of Lake Macquarie, with over 2,000 more participants expected to start receiving benefits under the NDIS banner.

By July 2016, over 10,000 people with disabilities will be funded by the NDIS in Newcastle, Lake Macquarie and Maitland local government areas.

The number of people receiving disability support in NSW is expected to grow from 95,000 to 140,000 by 2018 – an increase of 47%.

New book from local psychologist

Tarnya Davis has been writing a weekly column on the stuff of life from a psychological perspective for the Newcastle Herald for over 5 years. For around the same time she has also been a regular presenter on ABC radio's Fair Dinkum Families program on Sunday with Helen Claire.

All Things Considered is a collection of Tarnya's thoughts on children and parenting, relationships, our connection with our bodies, our minds and even how we think about death. Touching on topics such as our relationships with friends, partners and in-laws, being an introvert, mindfulness and even busyness, each of the book's 150 columns give useful insights into different aspects of everyday life.

The book brings together a wealth of psychological research and anecdotes that have been of help to Tarnya's thousands of clients over the past 22 years, mixed in with the real-life experience that can only come from being the mother of four young boys.



Open Day

Newcastle Grammar School will be holding an Open Day on **Wednesday, 15 October** from 8.00am to 10.30am and 3.30pm to 5.00pm.

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Hunter Business Awards

The Managing Director of Whiteley Corporation, **Greg Whiteley**, was presented with the Hunter Business Chamber's Business Leader of the Year Award on 8 August, by sponsor CPA Australia.

The awards were presented at a gala dinner sponsored by GradSchool at the University of Newcastle and attended by more than 500 business people from across the Region.

Chamber CEO, Kristen Keegan said that Greg was a shining example of the calibre of leaders the Hunter business community is home to.

"The Hunter is home to many individuals and organisations that represent the wider diversity and success of this region.

"They continue to demonstrate the high standard of ability and innovation that the Hunter has become well known for," Kristen said.

In presenting the President's Award to Varley, Chamber President Richard Anicich commented on their long term commitment to the Hunter and beyond.

"This award is recognition of the significant role Varley has played in our regional and wider economies and the history of local manufacturing over 128 years," Richard said.

Bottrell Business Consultants was named by Bell Communications as winner of the award for Excellence in Small Business (-20 employees) and **Jayco Newcastle** was awarded the Excellence in Business (20+ employees) award by NSW Minerals Council.

Pepper Tree Wines was named by the Greater Building Society as the winner of the Customer Service (-20 employees) award and **Nurses Now** won the Pacific National sponsored award for Customer Service (20+ employees).

The Local Chamber of Commerce Award sponsored by Pitcher Partners was awarded to **Cessnock Chamber of Commerce** while the **Australian Rail Track Corporation** won the Newcastle Port Corporation sponsored award for Contribution to the Region. **Hunter Surf Life Saving** won the Hunter Water sponsored Hunter Water Savers Award and **Ben Hainsworth** of BeilbyOPRA Organisational Psychology was named Young Business Executive by Hunter TAFE.

Kristen said the judges had commented on the outstanding achievement of finalists in all categories.

"The winners clearly demonstrate yet again why this region remains a powerhouse economy," she said.



Richard Anicich (President, Hunter Business Chamber), Michelle Whiteley, Greg Whiteley (Managing Director, Whiteley Corporation and Hunter Business Chamber Business Leader of the Year), Annie Sturt (CPA Australia) and Kristen Keegan (Chief Executive Officer, Hunter Business Chamber).

Education is key in fight against heart disease

In a bid to tackle repeat heart attacks, the National Heart Foundation will distribute 10,000 resource kits used to educate heart disease patients in regional NSW.

Newcastle Permanent Charitable Foundation has provided \$30,000 to fund Managing My Heart Health (MMHH), an initiative developed by the Heart Foundation that provides patients with information on medical treatments and behaviour modification.

MMHH resource kits will be distributed to patients living with heart disease in the high risk areas of the Central Coast, Hunter New England, Mid North Coast and Northern Rivers.

Each year over 21,700 people die from heart disease and 780,000 live with the disease. It kills three times as many women as breast cancer and more children than all other childhood diseases combined. In NSW alone over \$375 million is spent each year on treating heart attacks.

Local charity and not-for-profit organisations are invited to apply for the next Newcastle Permanent Charitable Foundation funding round, which closes on Friday 17 October 2014.



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What's your current role and title?

My current role is General Manager of The Business Centre which is a NFP organisation that provides hands on assistance to support the growth and establishment of small business throughout the Hunter region. I have been in the role for 6 years and love it today just as much as I did 6 years ago.

Throughout your working life, what job have you enjoyed most?

My main motivators in any role are, variety, a challenge and the team that I work with. Having said that, I would have to say that my current role gives me the greatest job satisfaction I have experienced so far throughout my career. Not only does it tick my motivator boxes, but it also allows me to give back to the Business Community and help others in business.

In business or personally who or what do you find inspiring?

It is the power of self belief that makes for true champions and our ability to deal with adversity or barriers that we all face from day to day and I am inspired by others with a positive can do attitude in life. People like Kurt Fernley, Richard Branson, Nelson Mandela, and Chrissie Wellington my favourite champion Iron Woman. A little closer to home I have found the words of Lisa Messenger, a very successful business woman who owns and publishes the "Renegade Collective" a must read magazine, very inspiring. I keep these words on my noticeboard to read daily to keep me on track especially when I am having a bad day. "Don't forget to think BIG, push boundaries, fail fast, challenge the status quo, disrupt, love deeply and remember that we can always be better tomorrow than we are today. Anything is possible"

What advice would you give someone following in your professional shoes?

I started my career as a Commerce Trainee with BHP whilst studying Accounting at Newcastle University. I have held numerous positions since, I established and ran the first two Boost Juice Bars in Newcastle, as well as some property development along the way. My problem was always in staying with a job for more than 2 years. As soon as I knew the role the challenge was gone. As I look back on my career I can see that Accountancy was a great skill to have but not something I would ever choose to do again. So my advice to anyone starting out is to go for something you

love, something you are passionate about, don't go for something because you think job prospects are better or someone has convinced you to pursue. Be true to your heart and find something you love because this will ensure your success as we all shine when we are doing what we love most.

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

Swimming, running or riding. I love competing in triathlons and training with my husband and buddies at TriNova. I am married with 2 children who have left home to study at University and this gives me the time to train for my favourite event which is the Triathlon Ironman distance.

How would you like to see our region develop over the next decade?

I would love to see our region prosper in the face of the mining and manufacturing downturn through diversification and a focus on building our tourism industry and support for Innovation and Entrepreneurship especially in regards to our Creative Industries and digital media sectors. Small business is the backbone of our economic growth. 96% of all businesses in NSW are a small business and half of us work for one.

Tell us something that most people wouldn't know about you.

I qualified and competed in the Ironman World championships in Hawaii in 2013. I have now successfully completed 3 Ironman races and will be competing next year in Germany at Challenge Roth. I seek adventure when taking annual leave and a few years ago I climbed Mt Kilimanjaro in Africa and reached the summit with my husband and two children which was no mean feat especially for a 14 and 16 year old and a great family holiday.

Do you e-book or real book? And what are you reading at the moment?

Call me old fashioned but I am a real book reader. At the moment I am reading "IronWar" which is the true story of the rivalry between two of the greatest Triathlon Ironman competitors, Dave Scott and Mark Allen. With my love of Triathlon Ironman events I found this book truly inspirational and a great tale of what is possible when you have high levels of self belief, a high pain threshold and focus with a level of intensity that you will let nothing stop you from achieving your goals. It is a great read even for those not interested in triathlons.



More about the Commandments of Good Business

Paul Gidley
Shaw Gidley

In the August edition of Hunter Business Review, I illuminated you with what I perceived as the 10 Commandments of Good Business, useful whether you're a fish & chip shop or a fish processing plant. This month, I'll delve further into the definition of my top 5 Commandments and their importance.

1. Management Information Systems – use appropriate/industry accounting software. It's cheap but powerful. Prepare and utilise budgets. Enter the data in a timely, complete and accurate manner, reconcile accounts monthly, prepare and review management profit and loss, balance sheet and cash flow statements monthly, weekly bank reconciliations, review debtor ageing monthly, implement strict credit control, understand the importance of the matching principle, understand the importance of the timing of cash inflows and outflows and maintain healthy relationships with your financiers. Did I say maintain strict credit control, oh yes I did!

2. Business Advisor(s) – understand that accounting advice does not always translate into business advice. Make sure your adviser understands your industry, they don't necessarily need to be your accountant. If it is your accountant, make sure that they understand your expectations. Consider a business mentor or become involved in industry peer groups. Take advice onboard, analyse it, identify the good advice, and then act on it.

3. People – surround yourself with people that compliment you and your business. They should have the requisite skill sets but possess similar work ethic and values to those of the business owners. Identify successors, make them family. Good people can be both internal and external to your business

4. Marketing and Development – if you haven't sat down and prepared a marketing and business development plan, then do so. This will identify what you are doing, what you should be doing, what others are doing and what needs to be done in order to maintain sales and improve market share. Ignore marketing and business development at your own peril. Get your head around the 4 P's of marketing (Product, Price, Place, & Promotion) Understand the importance of good customer service and developing customer loyalty; and

5. Business Planning – prepare a strategic plan for your business. The business plan is the Why, How, When, What and Where of being in business. A well designed business plan will not only help remind you of why you are in business and what returns are expected, but should also provide guidance on major decisions during the business continuum. Setting milestones lets you know that you are achieving the objectives of your business.

Being an Owner/Manager of a small business can be exhilarating one minute and downright stressful the next. There is one thing however, that needs to be maintained and that is the desire to succeed. Owner/Managers need to be passionate about their business and willing to operate it in a manner that gives it the best chance of survival as the small to medium enterprise market place is extremely competitive. You have probably heard it before but, if I had to identify the number one process out of the top five points above, I would say Business Planning. All other commandments, principles and guidelines for conducting a successful business should follow from your business planning process.

Should you wish to obtain further information regarding this article, please do not hesitate to contact one of the experienced team members at Shaw Gidley on (02) 4908 4444.



Paul Gidley is a Director of Shaw Gidley - turnaround, restructuring and insolvency specialists with 23 years experience. Paul is a Chartered Accountant, a member of the Turnaround Management Association of Australia and holds an MBA with Merit.



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How can Hunter businesses lessen the impact of HCFC's phase out?

Damon Lazarus

Grosvenor Engineering Group

In 1987 an international agreement called the Montreal Protocol was established to set the timeframe for the worldwide phase out of ozone-depleting CFCs (chlorofluorocarbons).

R22 (also known as HCFC-22) has been a widely used refrigerant in heat pump and air-conditioning systems for more than four decades. However, releases of R-22, for example from leaks, are detrimental to the environment and contribute to ozone depletion.

R-22 is a greenhouse gas and the manufacture of R-22 results in a by-product (HFC-23) that contributes significantly to global warming.

CFCs are now virtually phased out and refrigerant stockpiles are nearly exhausted. The current phase-out dates for HCFCs for developed countries, which include Australia, stand at:

- Freeze from beginning of 1996 (Based on 1989 HCFC consumption, with an extra allowance (ODP weighted) equal to 2.8% of 1989 CFC consumption)
- 35% reduction by 2004
- 75% reduction by 2010
- 90% reduction by 2015
- Total phase out by 2020 (Up to 0.5% of base level consumption can be used until 2030 for servicing existing equipment, subject to review in 2015). Over the years, the phase-out timetable for ozone depleting substances has come under constant revision, with phase-out dates accelerated in accordance with scientific understanding and technological advances.



Businesses that rely on or have large mechanical systems need to understand the potential impact of the Montreal Protocol and how this is likely to affect their facilities management budgets and capital expenditure requirements. The looming lack of availability combined with rapidly rising costs of R22 becoming a reality in the near future, building owners need to start evaluating their exposure and plan to control their business risk now.

It is important to recognise that there is no 'one size fits all' solution for the wide range of R22 applications that exist. In the short term, particularly if your equipment is relatively new, it may be feasible to continue using R22 while there are still readily available supplies. Business who fit into this category should review refrigerant costs over time so they can set a price-point upon which they would invoke the long-term changes that will sustain their business operations.

An alternative short to medium term plan is to retrofit existing equipment to a HFC based refrigerant such as R407C. This approach is most suitable in the early to mid-stages of the equipment life cycle.

The last alternative is to take the long term view and replace the existing HVAC system with new HFC equipment. Of course this represents a higher and immediate capital expense, though to some extent this will be offset by the new equipment being more energy efficient. Making these changes now, before a major equipment failure, allows you to minimise equipment downtime, reduce unplanned capital expenditure and control your risk to business operations.

For further information contact Damon Lazarus on 1800 807 423, email dlz@gegroup.com.au or visit <http://geggroup.com.au/>

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Damon Lazarus is the General Manager of Grosvenor Engineering Group North West NSW. Damon holds a Degree in Business Administration, is a Certified Practising Project Manager (CPPM) with the Australian Institute. He is a longstanding member of the Australian Institute of Project Management (MAIPM) and Member of the Australian Institute of Company Directors (MAICD).



This is the new normal

Lloyd Kerr
Jirsch Sutherland

If there is a lesson to be learned from the past seven years in business is that things won't return to the pre-GFC version of normal.

Gone are the days of long-term contracts, loyal staff and flexible lending. You can expect as a business owner or manager that your staff will come and they will go taking valuable intellectual property with them. Sometimes you might find they will stay for years, mostly you will count their time employed in months.

You can also expect that the process to get a line of credit particularly for small business will require many hours of paperwork for you and your staff - with the result being that you might need to mortgage your home.

The new normal understands that in the cyclical nature of business there are up and downs. The unemployment rate is just one of the economic indicators that ebb and flow throughout business cycles. Currently sitting at 6.55%, the Hunter Region's unemployment rates is less than two percentage points higher than the 5.03% three-year average. These levels are not new to our region and are far from the worst we've seen. Businesses who can adapt in cyclical times will thrive.

No one really needs a crystal ball to see that the sustained period of low interest rates on the back of much flatter mining and manufacturing sectors will provide further challenges for this community. This is the new normal.



Contracts will come and go, as will customer needs. Clients will be less loyal and more focussed upon their needs while competitors will start to bite into your market share.

The new normal is about change. At the pointy end of this shift is our media's ability to remind us that the new normal is about job losses, increased personal bankruptcies, downturn in confidence and bleak views of our long-term value as a nation to an emerging Asian marketplace.

So why then should Hunter businesses bother? Because we know how to adapt, innovate and lead.

Take a quick look back, it was this region that successfully shook off the shackles of an industrial steelmaking town late last century to become a vibrant region that according to Deloitte in 2013 provided \$36.9 billion into the economy, making it Australia's largest regional economy.

At the street level the Hunter is an economy that encourages diversity of business and rewards those who can quickly adapt to changing market needs.

As a profession, insolvency specialist accountants are often viewed as one of the barometers of bad times in business - and to a certain extent that is true, but most recently we have also noted that we are a barometer for business turnarounds. Businesses that know that their new normal is about getting rid of what is not needed and the products or services that are not performing well. Businesses that know how to tidy their business while concentrating on providing products and skills that will meet demands of customers now and create new opportunities for their customers in the future will thrive.

Part of embracing the new normal is also about myth-busting and assessing risk differently. We must understand business processes and we should work with professionals that can help us navigate this new normal. We must invest in innovation, creativity and people, understand our marketplace and the factors that will affect our place in it.

For further information contact Jirsch Sutherland on (02) 4965 6500, email admin@jirschsutherland.com.au or visit www.jirschsutherland.com.au.

Lloyd Kerr is a Partner at Jirsch Sutherland's Newcastle Branch, a specialist insolvency practice. In 1993 Lloyd established Jirsch's Newcastle Branch which became the first specialist reconstruction and insolvency practice in the Hunter.



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Succession planning: Planning for success

Dr Richard Schrapnel
Pitcher Partners

The next eight years represents a period of great opportunity and risk for Family Businesses in Australia that will impact not only individual family wealth, but also the longer term prosperity of our Nation. However many business owners, in addition to our political leaders, have not recognised the importance of this period.

By the year 2020 the Baby Boomer generation will be aged between 56 and 74 years of age, meaning most business owners will have to have exited the active management and ownership of their businesses. The latest survey data available indicates that around 75% of business owners have no exit strategy. With the estimated market value of these businesses changing hands being valued at some \$3.5 trillion, this is a massive shift in control and value which will impact the prosperity of the Australian economy.

The greatest opportunities lie in those exiting owners getting ahead of the curve and planning for their succession effectively, and for the new generation of owners seizing the opportunity to acquire great businesses and continue to build them for the next generation. The risk lies with those who do nothing and simply miss the boat. Effective succession planning will become a critical skill for business owners to capture the opportunities and to avoid the risks.

Succession planning is often thought of only in the context of transferring a business within a family. However succession takes many forms in today's market. It can comprise outcomes as diverse as the outright sale of the business to third parties, merging the business with others, the sale of the business to the management team and employees, the closure of the business and sale of assets or, in some cases, doing nothing and facing the gradual decline of the business.

Although family business succession has generated considerable interest over recent years, there is very little Australian research on what makes a successful succession process.

Pitcher Partners in partnership with Swinburne University have been undertaking an Australian Research Council supported study into the success strategies, barriers and dynamics of family business succession.

The preliminary results paint a diverse, complex and sometimes surprising picture of the issues surrounding succession planning:

- As is to be expected, there is a high degree of sensitivity around the issue of succession and a great deal of uncertainty. This leads to a lack of willingness to engage in conversations with family members that facilitate effective succession.
- Although traditional thought would have dictated that the business is passed to the next generation, there is an overwhelming view that children are not expected to follow in the

family business. Children are seen as having a choice, combined with the belief that they do not have a natural entitlement to ownership and control. These views create uncertainty on both the part of the exiting and new generation with neither being sure what the future holds.

- However there remains a strong sense that wealth should pass along family lines, with lineal descendants being the recipients and the wealth being protected for future generations from the breakdown of relationships and marriages.
- In an attempt to simplify the process, there is an uncertainty and hesitation regarding the inclusion of spouses in the succession process. This uncertainty is not about inclusion itself, but rather a difficulty in how to include and engage them in the discussion.
- Husbands are inclined to want continuity of the business along family lines, while wives are more inclined to express their reservations about the impact of the business on the children's wellbeing.
- Succession is generally seen as a process of fairness, not equality, where recipients receive a fair but not necessarily equal entitlement depending on their contribution to the business.

To summarise the findings to date, there is a hesitation about succession, a reluctance to engage in what are seen as uncomfortable discussions, uncertainty about how to proceed and a resulting delay in commencing or engaging in a meaningful way in the process of succession.

Over 40 countries are participating with the results set to refine the research outcomes and provide an unparalleled breadth and depth of knowledge into succession planning. Such a research project has never been undertaken before. Australian businesses will be able to benchmark their approach to succession with other family businesses from around the world.

The Pitcher Partners/Swinburne University Research will shortly conclude and the results will be released in October 2014.

For further information contact Pitcher Partners on (02) 4911 2000, email richard.schrapnel@pitcher.com.au or visit www.pitcher.com.au.

Dr Richard Schrapnel PhD is an Executive Director/Partner of Pitcher Partners and the Chief Investigator of the Pitcher Partners/Swinburne University Succession Planning research project. Richard is a Business Strategist with over 30 years' experience working with the leadership teams of family, private and closely held businesses in the areas of strategy growth, competitiveness and succession. Richard has written eight published books in his field of expertise.



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NEXUS LAW GROUP

Nexus has engaged new Consultant Partner, **Brendan Tobin**, adding to the firm's respected mining and resources practice. Brendan has worked for some of Australia's leading law firms, including Henry Davis York and most recently, McCullough Robertson. Brendan obtained his Law Degree from Newcastle University, and holds a Master's Degree from Melbourne University.



FORSYTHES RECRUITMENT

Lyn Swords (formerly Lyn Shearer) has joined Forsythes Recruitment as a Senior Recruitment Consultant. Lyn has spent most of the past 10 years working locally in recruitment and human resources positions. She also has more than five years experience in the mining sector. She's based in the company's Singleton office, working with Director Chris Cork. Lyn will specialise in office support and supply chain.



HUNTER RESEARCH FOUNDATION

The Hunter Research Foundation welcomed economist **Dr Alan Rai** to its research team as Principal Economic Research Fellow from the CSIRO's Energy Technology Centre. Alan anticipates his new role will provide him with an opportunity to drill down into the Hunter economy and the many issues affecting it. He is also looking forward to playing an active role in the Foundation's more commercially focused contracted research program.



COLLIERS INTERNATIONAL

Peter Macadam has joined the expanding Colliers International agency business as Director, Commercial Sales and Leasing. Peter has been in the property industry for 20 years and built the Newcastle valuation business for Colliers from scratch 8 years ago. His expertise and local and national contacts extends across retail, commercial and land development fields.



BURKE & MEADE LAWYERS

Burke & Meade Lawyers has welcomed **Andrew Cairns** as a new Principal Lawyer to the firm. Andrew has extensive experience in employment, workplace relations, work health and safety compliance and insurance law. His aim is to help employers make their business and their employees work in harmony.



NEXUS LAW GROUP

Nawzer Billimoria joins Nexus as consultant partner. A respected commercial and construction law specialist, Mr Billimoria is making the transition to private practice after working in-house for Lend Lease for a number of years.



FORSYTHES RECRUITMENT

Cora-Lee Enright has joined Forsythes Recruitment as a Senior Recruitment Consultant specialising in trade and industrial recruitment. She will be based in the Singleton office. Cora-Lee spent the past seven years working in the Hunter as a recruitment specialist for agencies and with a mining services supplier. She also worked as a Group Training and Recruitment Manager in Sydney and as a business class flight attendant for QANTAS.



COLLIERS INTERNATIONAL

Matt Kearney has joined the Colliers International Newcastle Commercial Sales and Leasing team. Matt joined Dillon and Sons First national in Dungog in 1998 and was named the Young Achiever of the Year for First National NSW. In 2006 Matt commenced at BuildDev Development, in 2011 Matt joined the property team at Newcastle City Council to facilitate the Asset Review Plan and since 2012 has been with the Agency side of the Knight Frank Newcastle business.

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The NETGEAR Nighthawk X6 AC3200 Router, with Tri Band WiFi, delivers multiple bands for homes and offices with many WiFi devices. WiFi speed up to 3.2 Gbps and six high performance antennas provide the speed and range. Get the fastest combined WiFi currently available & enjoy a blazing-fast, lag-free WiFi experience for gaming, video streaming or surfing.



TELSTRA CLOUD COLLABORATION SERVICE

Telstra has launched a global cloud-based unified communications service, enabling businesses to communicate and collaborate in real-time. Telstra's global solution, launched in Australia last year in partnership with Cisco, is now available across four continents in 25 countries. With Telstra Cloud Collaboration, businesses can roll-out extensive collaboration and communications tools to staff throughout the world, scale user profiles and functionality up and down depending on business requirements and ensure employees working remotely have identical resources to those working in the office.

SONY USB PORTABLE POWER SUPPLY

Sony's USB Portable Power Supply enables users to power up their devices anytime, anywhere. With a capacity of 2,800 mAh, the compact USB charger CP-V3 provides enough power to charge most modern smartphones, mp3 players, as well as select digital cameras and camcorders. It is available in a variety of colours, incorporates an LED charge indicator and is rated at 1,000 times rechargeable.



QI BACKBONE IPHONE WIRELESS CHARGER

To use the Backbone iPhone 5s/5 wireless charging case and pad the user needs only to place their iPhone on the pad for wireless charging that is faster than a standard cable charge. iPhones can also be charged at a 'Qi hot spot'.



Who owns a 'LinkedIn' profile – the employee or employer?

Emma Wolfenden
Baker Love Lawyers

Many people believe that anything they do on social media is a private matter, and of no concern to his or her employer. There are circumstances where social media conduct is incompatible with the duties the employee owes to his or her employer, and may give rise to an employee's dismissal.

Late last year, the Fair Work Commission (FWC) upheld an architecture company's decision to dismiss an employee after he attempted to solicit his employer's clients through the professional social networking site 'LinkedIn', in an effort to expand his own private enterprise.

Facts of the case

The employee commenced work with the employer in a senior role in 2011. Prior to commencement, he informed the employer that he intended to continue carrying out private design work in his own time.

In January 2013 the employee sent a group email to a number of his connections on LinkedIn. In the email, the employee explained he had been carrying out private work and was now seeking to expand his practice over 2013. He stated that one of the advantages of working with a new company is that clients are able to access "prior big business experience at small business rates".

One of the email recipients contacted the employee's supervisor, and the following morning that supervisor informed the employee he was being summarily dismissed for breach of his employment contract. The employee filed an unfair dismissal claim with FWC.

Findings

It was held that the employee was intending to set up a business that could be, albeit in some small way, in opposition to his employer. Further, he was soliciting work from the current clients of his employer.

By sending an email in those terms, the FWC found that the employee had breached his fundamental employment obligations to his employer, by deliberately and actively soliciting the employer's clients for his own business. It was held that such conduct was inconsistent with the continuation of the employee's contract of employment and amounted to serious misconduct. Given that the employee was a "relatively senior" employee with a reasonable degree of autonomy, the FWC found that the employee had a duty to promote the employer's interests to those clients and not the employee's own interests.

Tips for Employers

1. Social Media Policy - All workplaces should have a social media policy that addresses the ownership of social media contacts. Work related social media contacts should be clearly noted as distinct from personal contacts. It is also important that employers effectively communicate the policy to employees and are able to demonstrate having done so.

2. Be Proactive - The ownership of social media accounts and contacts made by an employee should be addressed at the commencement of employment and updated throughout the duration of the relationship. Those employers intending to assert ownership over contacts and/or profiles should communicate that intention to employees.

3. Agreement as Condition of Employment - All employees utilising corporate social media accounts should sign an agreement as a condition of their employment stating, inter alia, that the employer owns the social media account and associated contacts, the employer has access to the account at all times, and all social media accounts (including login details and passwords) must be relinquished at cessation of employment.

4. Restrictive Covenants - Contracts of employment should include non-solicitation restrictive covenants and any severance agreements should have a specific reference to online networking. Any restrictive covenant should not go further than what is necessary to protect the employer's interests.

Conclusion

Employers need a balanced approach to the ownership of social media accounts and contacts made by an employee during their employment. If the purpose of an account is personal, it might be considered unreasonable for an employer to assert ownership. However, if the profile is primarily for business purposes, such as when social media marketers, executives and salespeople use social media for company business, the employer may have a stronger argument.

The best and easiest way to protect social media assets is to address the issue from the outset of the employment relationship.

For further information contact Baker Love Lawyers on 02 4951 5766, email enquiries@bakerlove.com.au or visit www.bakerlove.com.au



Security in a data-centric world: Microsoft's view

Can you really trust your internet provider? That's a red-hot topic right now, and little wonder. A recent series of high-profile data breaches and the release of U.S. National Security Agency files revealing global surveillance programs have left consumers with serious concerns about protecting their privacy and security online.

Revelations about commercial entities treating consumers' data as a free profit-making resource—and tracking their customers to help them target advertisers—don't help. Meanwhile, fresh security and privacy challenges are emerging in this new era of cloud computing, where connections are massively decentralised and distributed.

As consumers navigate the online ecosystem—and especially the cloud—how can they be sure the services Microsoft provides have meaningful privacy protections in place?

"First, we don't scan customers' communications for the purposes of creating advertising products," says Jeff Bullwinkel, Microsoft's Associate General Counsel for Asia Pacific and Japan. "That's a clear distinction between our approach and that of some other companies."

"Second, we're taking new steps to protect customer data from unauthorised government access. As well as expanding encryption across our services, and enhancing the transparency of our software code, our practice is to notify business and government customers should we ever receive legal orders related to their data."

Does that mean Microsoft will honour its privacy commitment to its customers and not disclose the private content of their emails?

"Except in the most limited circumstances, that's exactly right," says Mr Bullwinkel. "And if a gag order attempts to prohibit us from revealing to our customers the existence of a government request for their information, we'll challenge it in court where possible."

Microsoft also recently announced that it will give non U.S. servers outside the U.S. So what prompted this decision?

"People should have the ability to make an informed choice about where their data sits," Mr Bullwinkel explains.

"Over time, we've been growing our data centre build-outs. We recently announced a number of new centres in Asia—both in Australia and Japan—to augment those we have in Singapore and Hong Kong. But our customers can choose where to store their data. That sets us apart from our competitors, who don't necessarily have the same certainty about where customer data sits at any given time and who, in general, are not giving customers the same kind of choice about where their data can reside."

Microsoft is now opening a network of "transparency centres" that will provide government customers with greater assurance about the integrity of the company's products.

"We're opening these centres in Singapore, the Americas and Europe," says Bullwinkel. "Customers will be able to review our source code, reassure themselves of its integrity, and confirm that there are no back doors."

In our increasingly device-laden and digitally connected world, data is exchanged across intangible frontiers, allowing access to information from everywhere. Yet ultimately, customers will entrust their information to the cloud only if they have confidence that it will remain secure.

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What's your strategy for staff social media use?

Elizabeth Radley
Moray & Agnew

Common sense use of social media by staff members is not something an employer can take for granted. Every business should be proactive in setting the required standard with a good management strategy for staff social media use and HR practitioners can be instrumental in making this happen.

A robust social media policy is the first step. From a risk management perspective if your organisation does not yet have one there is no (more) time to lose. If you do already have a policy in place, does it:

- cover the use of personal devices (such as smart phones and tablets) during work hours?
- establish boundaries (if reasonable use at work is permitted) and set out consequences for excessive use which impacts on work performance?
- make it clear who has authority to post online content on behalf of the employer, and that only those with authority may do so?
- clearly state what behaviours are prohibited, both in and out of work hours?
- in relation to open-access posting (for example, on Twitter or blog sites), require employees include an account disclaimer stating the views expressed are their own and not those of their employer, without naming the organisation? (Otherwise those posts could still be returned in a simple Google search of your business name.)

Beyond the policy implementation stage, supervisors and managers play a crucial role in monitoring behaviour at the workplace and helping to ensure compliance. A managers' handbook or toolkit training program is a good place for HR to reinforce this message. You might also want to confirm some specific requirements as to each manager's own conduct, such as not listing job vacancies on social media (unless approved), and remind them that searching social networking sites for information about job applicants could lead to potential problems – for instance, where a decision maker discovers information about a person's carer's responsibilities, disability, sexuality or other attributes protected by anti-discrimination laws. It could also be useful to cover whether the employer agrees to



managers awarding endorsements on LinkedIn, especially for ex-employees which might be seen as similar to providing a reference, and whether it is appropriate to befriend or link in with team members, including the potential perils of connecting with some but not others (such as the risk of claims of social exclusion, which can be a form of bullying behaviour).

Bear in mind that, as with changes in technology, new social media platforms can emerge quickly. Even after you have implemented a management strategy for staff social media use, frequent review by HR needs to remain a top priority to ensure it remains current and relevant in order to protect the business, its people and its brand.

For further information contact Moray & Agnew Lawyers on (02) 4911 5490, email eradley@moray.com.au or visit www.moray.com.au

Elizabeth Radley is a Partner at Moray & Agnew Lawyers, and leads the Workplace team in the firm's Newcastle office and assists employer clients in all areas of employment law, anti-discrimination law, industrial relations and work health and safety.



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How are you communicating to your staff?

Paul Siderovski
SiDCOR Chartered Accountants

Staff will mirror how you communicate to them. Are you coming from a place of fear or from a place of responsibility?

I have found in business this is the game changer in any organisation. The CONTEXT of the communication is important, from leaders through to employees.

What is the context of communication? Everyday communication has context. For example, if you don't trust someone, then you will communicate with them differently to someone you do trust. You will communicate with the person whom you trust to complete a task, rather than the person you don't trust to complete it.

The catch is, if the leader of a business communicate from a place of fear, then this will have a flow-on effect in the business.

What should you do to change this behaviour? BE AWARE. Catch yourself as you're doing it and make a change. By improving your communication you will get more out of your team and therefore your business.

**For further information contact
SiDCOR on 1300 743 267, email
paul@sidcor.com.au or
visit www.sidcor.com.au**

Ask yourself:

- How do I show up each day?
- Am I aware of how I communicate?
- Do I constantly blame and judge my team?

If you answered negatively, then chances are you're communicating from a place of fear.

Paul Siderovski, the founder and Managing Director of SiDCOR Chartered Accountants, has 19 years experience since starting as a chartered accountant with PricewaterhouseCoopers in 1995. Paul started Newcastle-based SiDCOR in 2002. Paul has a Bachelor of Commerce from the University of Newcastle and is a Member of the Institute of Chartered Accountants and the Taxation Institute of Australia as well as the National Tax and Accountants Association.



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Why managers need to be aware of mental health in the workplace

Tarnya Davis
NewPsych Psychologists

Despite one in five Australian's experiencing mental health problems each year, nearly half of all senior managers believe none of their workers will experience a mental health problem at work.

Take a moment to absorb these sobering facts:

- Nearly one in two Australians will experience some form of mental illness
- One in five Australians will experience mental illness this year
- Mental illness is the largest cause of non-fatal disability of any disease in Australia.
- Mental health problems are the third biggest health problems in Australia
- Depression is currently the leading cause of nonfatal disability, however only 3% of Australian's identify it as a major health problem.
- The annual cost of mental illness in Australia has been estimated at \$20 billion
- Preliminary research shows that Australian Businesses lose over \$6.5 billion each year by failing to provide early intervention/treatment for employees with mental health conditions

The workplace is often the place where mental health problems become evident, regardless of whether a worker develops a mental illness prior to or during their employment. Most workers successfully manage their illness without it impacting on their work, whilst others may require support for a short period of time. A minority might require ongoing workplace strategies.

Someone with a mental health issue is unlikely to bring it up with a manager and is more likely to keep it to themselves. What you might see is increasing sick leave, complaining, and complaints from others, withdrawal, distraction, confusion, uncharacteristic errors, lateness and leaving early. There may be moodiness that's out of character, finding it hard to take minor personal criticisms, and increased physical health complaints like fatigue and pain.

A top down approach is needed to provide leadership in addressing mental health in the workplace. Research shows that every dollar spent on identifying, supporting and case-managing workers with mental health issues yields close to a 500% return in improved productivity (through increased work output and reduced sick leave).

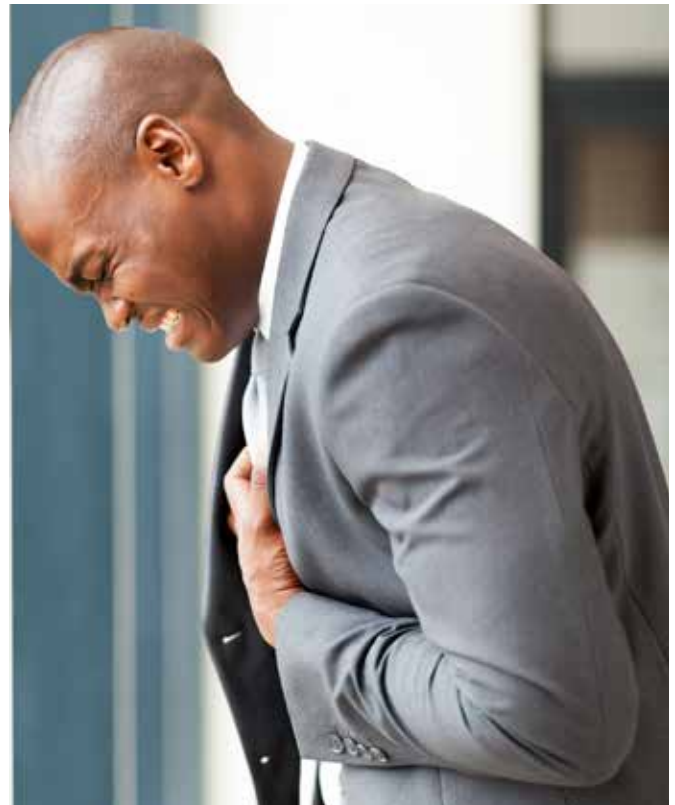
There are legal obligations in relation to the management of mental illness in the workplace. OHS legislation requires you to ensure your workplace is safe and healthy and does not cause ill health or aggravate existing conditions. You must avoid discrimination; personal information about a worker's mental health status must not be disclosed to anyone without their consent. Under Commonwealth industrial law a workplace must not take any adverse action against a worker because of their mental illness.

As a manager you will need to have effective communication strategies with your people, understand reasonable adjustments for those with mental illness and know what to do about performance concerns for a worker with a suspected or known mental illness.

Prevention is better than a cure, with \$1 invested in mental illness prevention today returning \$48 over the next 2 – 5 years.

If you need further information or training, feel free to contact me. Your awareness will make all the difference.

For further information contact NewPsych Psychologists on (02) 4926 5005, email reception@newpsych.com.au or visit www.newpsych.com.au



Tarnya Davis is a Clinical Psychologist and Director of NewPsych Psychologists. She has over 20 years' experience specialising in helping both employees and businesses to better manage mental health issues in the workplace. She and her team provide critical incident response and ongoing support across NSW.



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Anti-bullying laws – how are they being applied?

Catherine Wilkinson
Sparke Helmore Lawyers

On 1 January 2014, new anti-bullying laws commenced under the Fair Work Act 2009 (Cth) implementing a new jurisdiction for the Fair Work Commission (FWC) to make orders to stop bullying in the workplace. More than six months on, we reflect on some of the anti-bullying decisions and identify key issues for employers. As at 31 March 2014, the FWC had received 151 anti-bullying applications, which is significantly less than the 875 applications per quarter that the FWC predicted. It is now clear that:

- the FWC can make a wide range of orders against employers and employees
- the FWC takes a strict approach towards “exceptional circumstances” meriting a costs order, making it difficult for employers to recoup costs from failed applications, and
- the majority (72%) of bullying applications received by the FWC relate to the actions of managers.



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Key lessons**1. An order may have indefinite application**

In *Applicant v Respondent 1*, the FWC's order included very specific directions limiting the interactions between two co-workers, including: specifying what time the co-workers were required to attend work; and prohibiting them from contacting each other except in an emergency. However, the FWC did not stipulate an end date for these directions, which may mean the employer will be required to enforce these directions indefinitely. The parties were however granted leave to have the matter relisted, should they have difficulty implementing the directions.

2. Past bullying behaviour does count

In the case of *Kathleen McInnes v Ms McInnes*, Ms McInnes sought to rely on bullying behaviour that occurred before the anti-bullying laws commenced. The employer argued that she should not be allowed to rely on events that occurred before 1 January 2014, because legislation cannot operate retrospectively. The FWC rejected this view and held that Ms McInnes could rely on past behavior because the legislation operated by "basing future action on past events, and hence is not properly characterised as retrospective".

3. The FWC takes a broad approach to reasonable management action

In *Ms SB v The FWC*, the FWC considered the exemption to bullying of "reasonable management action" and found the relevant consideration is not whether the action could have been undertaken in a manner that was "more reasonable" or "more acceptable", but rather whether the management action was reasonable. In *Mr Sun v The FWC*, the FWC turned to the explanatory memorandum for guidance, which says that employers "Need to be able to make necessary decisions to respond to poor performance, or if necessary, take disciplinary action and also effectively direct and control the way work is carried out".

In both decisions, the management action undertaken was found to be reasonable. The FWC recognises that management action is valid and necessary to any business and that what constitutes management action will be interpreted in a practical manner. Employers are not required to take the ideal or best course of action; the action taken need only be reasonable in the circumstances.



For further information contact Sparke Helmore Lawyers on (02) 4924 7212, email catherine.wilkinson@sparke.com.au or visit www.sparke.com.au.

Catherine Wilkinson is the Managing Partner of the Newcastle office of Sparke Helmore Lawyers. She specialises in advising businesses on issues relating to employment and safety in the workplace. Catherine has been with the firm for more than 20 years, having previously been employed as lawyer with McLachlan Chilton Lawyers in Sydney for just under two years.



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Evaluating team members

Adam Loong
Skildare

Evaluating and managing the performance of team members is an essential component of every successful team – from sports teams, to military teams to businesses both small and large.

How these evaluations are conducted is a direct reflection of the culture within the organisation. Regular, open and honest conversations about performance between line managers and team members, is evidence of a strong and successful culture. Achieving this outcome requires an integrated Performance Management System that both supports and encourages proactive and focussed conversations on the achievement of continuous improvement built on the values of the organisation.

It includes:

- Simple and prescriptive Position Descriptions linked directly to the inherent job requirements. This creates role clarity and achieves a deliberate focus on employee behaviour and performance;
- Efficient (paperless) and easy method of capturing and recording performance outcomes and behaviours, thus enabling important and timely feedback whilst building valuable data about performance trends; and
- Coaching and support to managers on how to deliver and maintain genuine feedback regarding performance and behavioural expectations, including how to identify root causes for performance deficiencies and how to motivate and inspire their team.

Achieving a culture of continuous improvement requires line managers to manage every employee's performance in a regular and informal manner whilst being backed by a simple performance management system that is integrated with organisational values and strategic goals.

For further information contact Skildare on (02) 4940 874, or visit www.skildare.com.au



Adam Loong's skills in leadership and strategic decision making, perfected over more than 17 years as a Fighter Pilot has enabled him to successfully apply these proven principles in the Human Resources field. As a passionate leader of high performance teams, Adam expertly applies simple, effective and proven measures that promote innovation, employee engagement and performance across teams from the executive level to the coal face.



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Dismissed on the first day

Summa McCosker
PeopleCheck

The recent Myer vs Andrew Flanagan case has resurrected an important discussion on background checks. The American businessman was hired and then sacked on his first day, after it was found that he had falsified his credentials in order to get the job. He was then charged by Victorian police with fraud. It's cases such as this that highlight the importance of CV checks prior to the point of hiring. Firing an employee on their first day is never a good start, whatever the role of the candidate!

HR professionals are looking for a thorough, reliable means to confirm the background of applicants. Background checking, largely unheard of in Australia two decades ago, is now regarded as an integral part of the recruitment process.

Background checking can include validation of the candidate's identity, previous employment, qualifications and memberships, as well as searches to identify information that may be relevant to their role (criminal history, bankruptcy, litigation, directorships etc).

PeopleCheck is the only dedicated background checking provider in the Hunter, assisting organisations in minimising the risks associated with hiring unqualified and fraudulent applicants. CV fraud is rampant and the risks to business are real. As candidates get more creative and technology continues to develop, thorough background checking is becoming critical to avoid hiring the next Flanagan!

For further information contact PeopleCheck on 1300 725 101, email validate@peoplecheck.com.au or visit www.peoplecheck.com.au

Summa McCosker is the Managing Director of PeopleCheck and is a qualified Criminologist, she has specialised in employment background checking since its infancy in Australia and has experience undertaking employment background checks, both within Australia and throughout the world. Summa has a Master of Criminology from the University of Sydney and Bachelor of Social Science from the University of Western Sydney.



Redundancy: Stressful and costly vs fresh start

Daniel Brown
Rethink Newcastle Financial Planning

Recent and pending job losses will make redundancy a more common issue in many Newcastle, Lake Macquarie and Hunter residents lives. So understanding redundancy and its financial implications has become more relevant than ever for the local community.

Whether your situation is involuntary or of your own choice, redundancy generally makes for a stressful time where significant lifestyle and financial decisions need to be made.

A financial adviser can be your best port of call to guide you through these decisions. The difference between no advice and good advice may be the difference between a very stressful, financially complex and costly situation and an opportunity to maximise a fresh start.

Generally, things start to get complicated with the tax consequences of payments. Each component of the redundancy payout is taxed differently and depends on several factors, so there is no hard and fast way of dealing with redundancy taxation.

Depending on your individual situation and what stage of life you are at, the financial planning opportunities can vary significantly. For example, if you are approaching retirement age you have the option to direct your payment into superannuation to generate tax savings. Furthermore, you might be able to draw this out as a tax effective superannuation pension or income stream.

In the event of redundancy a natural reaction is to review your situation and make cutbacks to maximise cash flow. In the absence of the main household income, people often look for ways to reduce expenses. Some see the cancellation of an insurance policy as a quick solution to reduce costs. However, it is even more important that you are covered in case something happens during this period. An adviser can assist you review your insurance arrangements to determine whether your premiums could be frozen or funded more effectively. They can also explain how unemployment could impact the potential benefits payable under your insurance policy.

The continuance of good debt management is often front of mind for those who have recently lost their main source of income. However, one common dilemma with lump sum payments is whether or not you should use it to reduce debts. There are different tax and social security implications between using redraw a facility and offset accounts, which need to be taken into consideration before making your decision.

Being made redundant can be stressful and getting the right advice can reduce the angst that may accompany it. We recommend seeking professional financial advice immediately. By getting a solid strategy in place to manage your debt, superannuation, insurance and the tax implications of redundancy, this will help you get the best outcome for your situation and ensure you are able to start fresh.

Disclaimer: This editorial provides general information only. Before making any financial decisions, consult a financial planner to take into account your individual needs.

For further information contact Rethink Newcastle Financial Planning on (02) 4962 4440, email ask@newcastlefinancial.com.au or visit www.newcastlefinancial.com.au

Daniel Brown is Senior Financial Planner, Redundancy Expert and Partner at Rethink Newcastle Financial Planning. Dan has over 11 years' experience as a Financial Planner, he is passionate about helping support change in his client's lives.



Getting the finance you need to ensure business success

Allan McKeown
Prosperity Advisers Group

Business lending is shrinking as banks continue to favour home loans over business loans in their short-term approach to capital use and returns. It is stifling the economy and it is a major frustration for businesses that are seeking capital to fund their growth. In their recent submission to David Murray's financial system enquiry, Industry Super Australia confirmed that the amount of commercial lending for every dollar of residential property lending has plunged from \$3.84 to \$1.62 over the past 25 years. The land of opportunity has become the land of property.

How do borrowers navigate these changes? Communication between borrowers and lenders is the key to a successful banking relationship. Bankers do not like surprises. As a borrower, be proactive and provide financial information that is both timely and accurate. Prepare and deliver on financial forecasts and projected financial covenant ratios. These add to a borrower's credibility and offer opportunities to negotiate during the loan renewal process. Additionally, business owners should stay focused on their core business and have a solid business plan with contingencies in place.

So businesses who are seeking funding need to carefully consider the way they frame their finance proposal to their banker, positioning it in the best possible light. A professional, well-thought out application with strong supporting documentation is critical. Understanding what banks are looking for will help you get it right first time and improve your chances of success.

Banks typically look for three major elements when they assess your business' credit risk. These are commonly known as 'The three Cs'.

The first critically is 'character'.

Bankers will assess your character by reviewing a range of documents that provide information about your history, track record and experience in business. They are seeking to understand your commitment to a relationship with the bank.

Considerations include:

- Have you been able to meet your forecasts?
- What is your repayment history like?
- Do you do what you say you will do?

The bank will also want to see that you have plenty of 'skin in the game'. Are you contributing enough of your own cash or equity to the purchase or new project?

The second thing a banker will look for is 'collateral'.

Here the bank 'credit department' reigns supreme. They will be seeking all the first mortgage "bricks and mortar" security they can get their hands on supported by a mortgage over your equipment, other assets of the business and personal guarantees from directors. Think twice about pledging all of your assets if you can avoid it as it limits your borrowing options in the future.

Thirdly, a banker wants to look at your 'capacity'.

They need to know that your earnings are sufficient to pay the loan back without creating distress. When you apply for the loan, you will be asked to outline all of your income, and provide comprehensive financial data on the business. These will include cash flow and profit and loss forecasts and a robust business plan.

Once you have satisfied the 'three Cs' there remains much devil in the detail. Your ranking in this area will determine how much negotiation leverage you have around some very important final points namely:

Covenants – These are the ratios and conditions that the bank will monitor to ensure satisfactory performance of your loan. They may include the ageing of your debtor's maximum, stock levels and interest cover



(the number of times your net profit exceeds your interest bill).

Breaking these covenants give the bank the power to charge penalty interest rates and even call in your loan. So it is sensible to ensure they are achievable. While it is important to monitor them once in place, practically they are usually regarded as a guideline by the bank and a lever to deal with relationships that have deteriorated beyond repair.

Security – We live in difficult and uncertain financial times. While it is necessary to ensure the bank has 'sufficient' security, do not be overly generous. Look to exclude the home and personal assets where possible.

Maintaining separate banking relationships for business and personal loans can give you options and keep each bank on their toes.

Repayment terms – Interest only terms take the cash flow pressure off your business by excluding the additional burden of the extra loan portion payment particularly in the early period of the loan. Banks however are keen to see a start to the repayment of their loan and are reluctant to extend interest only beyond two to three years.

Even if you satisfy the three 'Cs' and all other lending criteria you may experience variations between banks so it's important to get some advice. Some banks have particular industry focuses (and usually specialised products to match) and others will seek to reduce their exposure to a type of business purely because the bank has a high total exposure to that area they are seeking to reduce on a pure risk balance basis.

In a challenging borrowing environment a thorough understanding of how banks assess your position; a well thought out finance proposal; and careful consideration of the terms will give you the best chance to obtain the finance you need to ensure business success.

For further information contact Prosperity Advisers Group on (02) 4907 7222, email mail@prosperityadvisers.com.au or visit www.prosperityadvisers.com.au

Allan McKeown is CEO of Prosperity Advisers Group. He has over 25 years experience providing corporate assurance and business advisory advice and services to a wide array of clients. Allan's career started with global accounting firm Ernst & Young. He also co-founded Sneddon McKeown Chartered Accountants in 1989 and was appointed to the role of Managing Partner in 1991.



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Operating leases

Ian Bird
JSA Group

If your business has vehicles you'll know that the purchase and ongoing maintenance of your fleet can be a costly, time consuming responsibility. There are alternatives to buying vehicles and getting them serviced and maintained yourself.

Operating leases can be a very useful form of vehicle finance. They come in two forms. A fully maintained operating lease includes servicing, maintenance, fuel reporting, registration renewals and roadside assistance. A non-maintained operating lease covers just the finance of the vehicle. Both types of leases can come with or without fleet management. You don't have to be locked into new vehicles, second hand vehicles can also be obtained under an operating lease.

How does it work? Essentially you pay a single monthly payment for a set term. That term is usually between one and five years. At the end of that term you simply hand the car or truck or van back, instead of having to refinance, trade or sell.

What you are effectively doing is outsourcing the residual and depreciation risks associated with your business fleet. You are also eliminating maintenance risks too. From a financial point of view, the lease costs are tax deductible. The vehicle becomes an ongoing operating expense and sits off balance sheet. This puts capital back in to your business and increases all important cash-flow.

Depreciation is one of the biggest costs or risks associated fleet vehicles. Residual values are generally utilised to help with cash

flow but setting them can be difficult as it is almost impossible to pre-determine the potential market value of a vehicle in three, four or five years. Setting a residual too high can result in the vehicle being worth less than the remaining payout. Not having to sell or trade at a wholesale price can give peace of mind and it provides less down time for the organisation.

Operating leases aren't just for large businesses. They may be beneficial for smaller businesses as well. Small businesses often don't have the resources to undertake all the administration associated with sourcing, purchasing, maintaining and selling vehicles. Full reports such as maintenance scheduling and fuel expenditure as well as registration renewals are all included.

Whether your business is large or small, operating leases can allow you to regularly trade up to the latest vehicle models. Having newer model vehicles can bring efficiency benefits.

Whether an operating lease is right for your organisation will depend upon a range of factors. There are other financing options including novated leases, chattel mortgages, hire purchase or finance leases. The point is that there are a range of ways to finance business equipment such as vehicles. An experienced financial services firm or fleet management company can assist you to make the right decision for your business.

For further information contact JSA Group on (02) 4908 0999, email info@jsagroup.com.au or visit www.jsagroup.com.au

Ian Bird is the General Manager, Novated Leasing & Finance Division at JSA Group. He has been with the Division since its inception and is responsible for much of its continued growth. He works closely with employers of all sizes including large and small businesses, universities, public hospitals, local councils, private schools, and not for profit organisations.



Could crowdfunding get your idea to market?

Narelle McClelland
The Business Centre

In the past small businesses have been limited to financing their ventures through traditional means such as; personal savings, bank loans, funding from friends and family or grants. But times have changed and now, more and more small businesses are choosing to finance their business ideas through Crowdfunding.

Crowdfunding is the practice of funding a project by raising many small amounts of money from a large number of people, usually online through crowdfunding websites.

A recent successful crowdfunding example is a free-range pig farm in south-west New South Wales. They've just raised \$18,000 from crowdfunding to build a commercial kitchen and dry curing chamber. The project hit its financial target within 30 days, it engaged people as the project progressed, and also got people excited about the product. A flow-on effect from this is that there's already a market for when these products are available.

So how do you get started? The first step is to research crowdfunding websites. There's a range to choose from including Pozible; which focuses on creative ventures, Jumpstartz for tech startups or Publishizer; for books. Depending on the website that you choose, you need to set a monetary goal and a time frame to reach this goal by and be aware of the fees that the website charges.

The next step is to post your business idea as a campaign onto the crowdfunding website of your choice. You want to make your campaign attractive to investors, so you might include a short video, an introduction to your project, some images to elaborate and a list of rewards per donation. The concept is to create a message that will capture the interest of readers and if people want to support your campaign, they can donate money to help you achieve your goal.

Your list of rewards per donation is there to encourage people

to support your campaign. You can offer incentives based on the amount that they donate and these can be anything, including rewards such as acknowledgement or discounts of future purchase of the product you are developing. Other options include offering equity in your business, effectively 'selling' part of your business to those who contribute funds.

But before you decide to source your finance through crowdfunding, seek advice from your business adviser so that any implications such as tax or business structures can be considered.

For further information
contact The Business Centre on
(02) 4925 7700,
email info@businesscentre.com.au or
visit www.businesscentre.com.au



Narelle McClelland is General Manager of The Business Centre, a not-for-profit organisation supporting small business through business advisory services, mentoring and training. She holds a Bachelor of Commerce, majoring in Accounting, and is a Graduate of the Australian Institute of Company Directors (GAICD). Narelle has been a successful business owner with a wealth of experience in business management and development.



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Choosing the wrong loan could cost you thousands

Sean Gillard
Crosbie Finance

Are you confused about the different type of home, investment and business loan products? Fixed rates, variable rates, introductory rates, equity loans, offset accounts, redraw facilities, covenants and conditions... no wonder choosing a home loan can be an overwhelming experience!

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Sean Gillard is a Partner at Crosbie Finance. He has 17 years experience in finance and a vast network of industry contacts. He offers one of the most extensive arrays of lenders and products in the industry, covering business, investment, home, equipment and Self Managed Super Fund loans.

Business planning and finance

The key to good business finance management is of course good planning, budgeting and reporting.

Here are a few tips to remember:

- No matter how busy you are, make sure you find time for planning and reporting. This will set the roadmap for income and expenses and provide timely feedback on your progress. There is an array of software to help, including cloud-based solutions that can allow access from anywhere with an internet connection. If things do go bad, it is much better to have time to plan and execute remedies than to be blindsided
- Review your planning on a regular basis and make updates if necessary.
- Be on the conservative side when forecasting. It is wise to slightly underestimate income and slightly overestimate costs.
- Plan some contingency funds to allow you to take advantage of unexpected opportunities
- Cash is king. Make sure projections include cash flow, not just revenue and expenses. Ensure your debtors do not get out of control. Put money aside on a regular basis for those occasional big ticket expenses, ATO payments etc
- If you need to arrange some form of finance, then make sure you do the homework. Consider why you need the finance, the costs, the flexibility of arrangements and other factors that may impact in your business. There is an extremely wide array of finance products available so make sure you get the best one for your business circumstances.
- If you have surplus funds, don't just leave them sitting in your normal business account. For flexibility, a linked high interest account can be useful. Any additional interest earned goes straight to the pre-tax bottom line. Alternatively, you can consider paying off debt, particularly high interest debt.



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New community-based mining show announced

A new festival has been launched to showcase the benefits of mining and the community support that exists for the industry in the Hunter Valley.

To be held from March 12-14, 2015, the Hunter Mining Show 2015 is a community-focussed mining trade show, running in conjunction with the inaugural Hunter Coal Festival. Created by local businesses and led by Singleton Chamber of Commerce and Industry the event is targeted at anyone involved in the NSW mining sector including miners, suppliers and local residents.

Mines in the Hunter support more than 4,870 local businesses and the mining industry is adjusting to a challenging economic climate. The Hunter Mining Show will provide an opportunity for people to learn about the rich history of mining in the Hunter and to hear what industry leaders have to say about the future of mining and what it means for the region.

Ashton expansion approval upheld

The NSW Land and Environment Court has found in favour of the Ashton South East Open Cut coal mine expansion in an appeal launched by the Hunter Environment Lobby.

The group had argued that expansion of the mine at Camberwell would create excessive noise and dust problems.

The expansion project will create up to 160 new jobs as well as work for a range of contractors. It will extend the life of the mine by seven years and produce an estimated 16.5 million tonnes of coal.

Newcastle exhibition to showcase latest mining technology

The Mining & Engineering NSW (M&E NSW) Exhibition is returning to the Newcastle Entertainment Centre in 8 – 10 October.

The biennial trade event provides the NSW mining sector with the opportunity to source the latest operational solutions to enhance their mine site operations and performance. Stephen Galilee, NSW Minerals Council CEO, described M&E NSW 2014 as an important event for the NSW mining sector and for industry personnel to attend.

"M&E NSW provides the sector with a fantastic opportunity to conduct face-to-face business in the administrative capital of the NSW mining sector, in Newcastle. NSW Mining is strengthened by industry events that focus on providing the sector with the tools to be successful."

Critically timed for the current transition occurring within the mining industry, from the investment phase to the production phase, M&E NSW 2014 will provide attendees with the latest products and services that provide solutions for optimising operations, by improving efficiency, enhancing safety, increasing productivity and cost-effectiveness.

Organisers of M&E NSW, REEDMININGEVENTS, have partnered with the NSW Minerals Council for this year's event, Paul Baker, Director of REEDMININGEVENTS, labelled the partnership as an indicator of both organisations' commitment to the NSW mining sector and critical for industry personnel who are looking to optimise their mine site performance.





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New Australian safety gloves industry certified

According to Safe Work Australia, in the last financial year there were over 116,000 serious claims relating to hand injuries in the workplace. In the mining industry alone hand injuries are the second most common cause of lost time injuries.



Elliots are hopeful these statistics won't be as high in the future with the launch of a new range of safety gloves they have developed. The gloves have been dubbed the G-Flex range, and they're the

"On most sites in Australia, you cannot wear safety glasses, hard hats, boots, respiratory equipment that is not certified to Australian/ New Zealand Standards," said Elliotts managing director, Anthony Elliott, "So why not gloves?"

first safety gloves of their type to be certified to Australian/ New Zealand Occupational protective standard.

"On most sites in Australia, you cannot wear safety glasses, hard hats, boots, respiratory equipment that is not certified to Australian/ New Zealand Standards," said Elliotts managing director, Anthony Elliott, "So why not gloves?"

There are five different varieties of the new gloves,





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Mining outlook reaches five year low

The mining sector has reached a new five-year low, with confidence levels likely to take years to recover, according to industry leaders surveyed in the latest Mining Business Outlook Report.

Despite some optimism last year, the 2014 report found mining leaders plagued by tough market conditions including declining commodity prices, falling demand and a difficult regulatory environment. A majority shared the view that the sector's future is now out of their control, signalling an increasing possibility of drastic changes to the industry especially in thermal coal.

The report confirms the sector's increasing sombre outlook, with an overwhelming 93 percent of leaders not optimistic about their growth prospects for the next 12 months, up by more than 50 percent compared to last year. A further 82 percent are not confident of large-scale projects resuming in the next 12 months, predicting it will take at least 3-5 years.

Saul Eslake, leading economist, supports the report's findings. "I don't expect any major new mining projects to commence in the next few years," he said. "There is wide consensus that commodity prices will continue to decline as more supply comes on stream globally, while the growth rate of demand for commodities slows. Economic growth will continue at a below-trend pace over the next 12 months, and unemployment will continue to rise."

Tough market conditions are the prevailing factor driving the gloomy outlook for almost five in seven mining leaders. A further one-quarter are concerned by falling demand in key markets such as China, stating that demand from other markets will remain

hampered due to the high costs of doing business in Australia.

While last year's outlook was dominated by postponements in new investment, this year's negative views are shaped by persistent, ongoing macroeconomic and market challenges out of the sector's control.

The report also reveals that the industry has lost its investment appeal, with 89 percent of leaders agreeing that Australia is no longer the world's best investment market. They concurred that macro-economic changes are necessary for this situation to reverse. Acknowledging the issue of a national productivity imperative, almost two-thirds of mining leaders conceded that productivity is on their agenda, but hold little confidence in improving their performance in this area.

The annual report traditionally concludes with advice to Canberra from the leaders interviewed. This year's issue reveals a general embrace of the new federal government, even as the industry is calling for more action and delivery of promises after one year on the job. A more friendly regulatory environment and flexible IR laws is the top demand by the sector, followed by less red tape.

The report, conducted annually since 2010 by operational management consultancy Newport Consulting, canvasses the views of Australia's mining leaders. It draws on in-depth interviews held between April and June 2014 with 60 mining executives from a broad range of private and publicly listed companies. This special five-year edition of the report features Saul Eslake, leading economist and commentator. The report serves as an independent pulse-check of Australia's mining industry.



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NSW winning the solar race

NSW is leading Australia in developing renewable energy with the nation's largest solar plant receiving its first solar photovoltaic (PV) modules.

The new modules are the first of approximately 1.35 million advanced thin-film solar PV modules that will make up the 102 MW Nyngan Solar Plant. The NSW Government has contributed \$64.9 million towards developing the plant and its sister site at Broken Hill. AGL will deliver the Nyngan Solar Plant along with other community partners.

Construction began in January 2014 and is expected to be complete by June 2015. Once complete the plant will:

- Produce enough renewable electricity annually to supply more than 33,000 homes.
- Employ up to 300 people (mostly locals) during the peak of construction.
- Inject around \$137 million into the local economy.



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Steers moved to grazing study sites

At the end of July the Upper Hunter Mining Dialogue Grazing Study moved into its next phase in partnership with the Land Management Joint Working Group, which includes the Singleton Beef and Land Management Association and the Singleton Shire Healthy Environment Group.

The Grazing Study commenced in June 2014 and is set to run for four years across two mines – BHP Billiton's Mt Arthur Coal and Coal & Allied's Hunter Valley Operations. The project is being managed by NSW Department of Primary Industries, and was initially designed by them in collaboration with the Joint Working Group.

Cattle will graze on rehabilitated mine land and on un-mined sites that have been selected because they are a good representation of land in the local area. The results from both rehabilitated mine land and un-mined sites will be compared using factors including animal health, soil and pasture composition and economic outcomes.

Before being moved out onto the control and rehabilitation sites, the cattle were weighed, blood samples were taken and they were tagged to distinguish the two groups. The blood will be tested to form the baseline for ongoing health monitoring throughout the study.

The Upper Hunter Mining Dialogue is an important part of efforts being undertaken by the region's miners to minimise the cumulative impacts of mining. The contribution of the members of the community involved in the Land Management Joint Working Group have also been vital to the development of this important trial.



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Preparations underway for gas survey off Lake Macquarie

Gas exploration may take place later this year off the coast of Lake Macquarie with MEC Resources Ltd announcing that investee entity Advent Energy Limited has commenced preparations for seismic acquisition in PEP11 in the offshore Sydney Basin. PEP11 covers 4,576 sqkm of the offshore Sydney Basin immediately adjacent to the largest gas market in Australia and is a high impact exploration project.

Advent Energy Limited's wholly owned subsidiary Asset Energy Pty Ltd, with joint venture partner Bounty Oil and Gas NL, is intending to perform a 3D seismic survey of approximately 225 sqkm in PEP11. Pending the necessary regulatory approvals and contracting of a suitable seismic vessel, the survey is intended to take place over a 4 – 5 week period between November 2014 and May 2015.



Macquarie Generation sale clear to proceed

AGL Energy is clear to take over Macquarie Generation after the ACCC decided not to fight the sale.

The \$1.5 billion asset sale includes the Bayswater and Liddell power stations and is expected to be funded by way of a renounceable rights issue (the Offer) to existing shareholders raising approximately \$1.2 billion and \$350 million of bank debt.

The Macgen power stations will give AGL ownership of the lowest cost, large-scale baseload generators in New South Wales and will increase AGL's registered generation capacity by approximately 79% to more than 10,600 MW. This would bring AGL's share of generating capacity in the National Electricity Market to approximately 21%.

Incentive to explore

NSW has some of the best minerals deposits in the world, and the more we know about them the better we can understand the opportunities they might provide.

Over recent years there has been a decline in investment in mineral exploration in NSW, however a new federal government incentive announced in June should change this. The Exploration Development Incentive will support junior exploration companies to conduct 'greenfields' mineral exploration by assisting junior explorers in raising capital from private sector investors through a refundable tax offset.

This new incentive aims to increase exploration activity, leading to new minerals discoveries that will become the job-generating mining projects of the future.

AGL exploration licence in Gloucester renewed

The New South Wales Government has renewed AGL's exploration license in Gloucester for six years.

The decision to renew the licence, known as PEL 285, was based on an assessment by the Office of Coal Seam Gas (OCSG). AGL will relinquish 25 per cent of its exploration area but as part of the agreement the company will be able to conduct fracking of four existing wells known as the Waukivory Pilot Project located within the Stage 1 area of the Gloucester Gas Project. The community continues to have concerns, in particular, with the fracking of the four wells.

Managing Director and CEO, Michael Fraser, said the Waukivory Pilot is an important step in the development of the Gloucester Gas Project, which will secure a local supply of gas for NSW communities and businesses.

It is the first time the Liberal and Nationals Government has approved fracking since it was elected in 2011.

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AUGUST 2014
VOLUME 10 NUMBER 7
Print Post Approved 100002454

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The phone bill was exceptionally high and father of the house called a family meeting... on a Saturday morning... after breakfast...

Dad: "People this is unacceptable. You have to limit the use of the phone. I do not use this phone, I use the one at the office."

Mum: "Same here, I hardly use this home telephone as I use my work telephone."

Son: "Me too, I never use the home phone. I always use my company mobile."

Maid: "So - what is the problem? We all use our work telephones!"

A man tells his doctor that he's incapable of doing all the things around the house that he used to do.

When the examination is over, he says, "Okay, doctor, in plain English - what's wrong with me?"

"Well, in plain English," says the doctor, "you're just lazy."

The man nods. "Now give me the medical term so I can tell my house mate."

Three friends die in a car accident and attend an orientation in Heaven.

An angel asks, "When you are in your casket and your friends and family are mourning you, what would you like to hear them say about you?"

The first guy says, "I would like them to say that I was a great doctor and a loving family man."

The second guy says, "I would like them to say that I was a caring husband and a schoolteacher who made a huge difference to kids."

The last guy says, "I would like them to say -- LOOK, he's moving!"

A duck walks into a bar around lunchtime, sits down and orders a beer and a sandwich.

The bartender looks at him and says, "Oh my God, a talking duck! What are you doing here?"

The duck replies, "I'm dry-walling the building across the street. I'll be in town for a few days."

The next day, the duck walks back into the bar and the bartender says, "Hey duck, I was telling someone about you last night. They're really interested in meeting with you!"

"Is that so?"

"There's a travelling circus in town," the bartender explained. "The ringmaster was in here last night and thought you'd be a star attraction for them!"

The duck looked puzzled and says, "Why would a circus need a dry-waller?"

Two women were comparing notes on the difficulties of running a small business.

"I started a new practice last year," the first one said. "I insist that each of my employees take at least a week off every three months."

"Why in the world would you do that?" the other asked.

She responded, "It's the best way I can learn which ones I can do without."

QUOTE OF THE MONTH

"No matter what people tell you, words and ideas can change the world."

- Robin Williams

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