

Editors Welcome

Hello and welcome to 2010. In this edition of AEC ascent you'll find an array of interesting articles, ranging from topical issues such as climate change and new information devices to recent updates on water, sewerage and waste price benchmarking.

There's no denying that 2009 was a tough year for many companies. However, *AECgroup* are excited about the prospects for our company and clients in 2010.

This year will undoubtedly be an exciting year for *AECgroup*; as with each New Year, in 2010 we are focusing on growing our business. This year we will focus on increasing our market share in Sydney and Melbourne. In addition, we are upgrading our in-house Geographic Information System (GIS) mapping facilities to ensure we keep up to date with the latest, special technology advancements.

I hope you enjoy reading this edition of AECascent. As always, we are keen to gather feedback, so if you have any feedback regarding AECascent, or for the *AECgroup* please e-mail myself at sally@aecgrouppltd.com

Happy Reading!

Sally Freedman
Editor





**News Item 1
Sally Freedman**

Creative Director bags a spot in Tooheys Extra Dry design competition

Tooheys Extra Dry (TED) is a popular beer in Australia amongst 18-24 year olds. Last year, TED decided to launch a new larger long neck bottle; the TED 696ml longneck or BIG TED. Tooheys knew there was plenty of competition out there, so they wanted their brand to stand out amongst the crowd. Long neck beers are traditionally sold in a brown paper bag, so the creative solution was to take the one thing that makes a longnecks branding invisible and turn it into a medium Tooheys could own.

TED 696 was born. Tooheys commissioned a mix of the world's best designers and artists who would appeal to the target audience. Each designer designed a brown paper bag using the theme 696. These limited edition bags were then distributed across Australia. This was the first time the brown paper bag had been used as an advertising medium; ironic considering it covers the brand inside. The campaign was so successful that other beers began to be sold inside the 696 bag which helped advertise the launch of TED 696.

Following this, TED invited the target market to design their own brown paper bag. A call for entry was made at the international design conference, 'Semi Permanent' held in Sydney. A call to action was made nationally via print, street press, outdoor, direct and online media. Word spread quickly as the creative community embraced the project. Designs were sent in from all over the world. Our in-house designer, Lyndon Berresford, quickly got creative and entered the

competition with a 'Big Ted concept', pictured to the left.

An interactive gallery was set up to showcase work where the audience could rate their favourite design. A panel of international designers and artists were assembled to judge the best work entered. MTV held an exhibition to celebrate their work. The judges announced a winner which was then printed and distributed nationally in bottle shops. The campaign has been so successful that it remains open for ongoing entries. The best designs will be continually printed and distributed across bottle shops in Australia. To date, a new design has been submitted every 84 minutes and over 700,000 unique brown paper bags have been printed.



Huge congratulations go to Lyndon for reaching the final stages of this prestigious, international competition.

If you require any consultancy advice on any of your design work please contact Lyndon Berresford, Creative Director on lyndon@aecgroup.com or telephone (07) 4771 5550.

News Item 2 (Robert Buckmaster)

Parliamentary Secretary Launches Maribyrnong Development Strategy

On Wednesday 3 March 2010, Victorian Parliamentary Secretary for Planning, Jenny Mikakos MP launched the Maribyrnong Economic and Industrial Development Strategy (MEIDS) at Footscray Town Hall, in Melbourne's Inner West.

AECgroup has been appointed to develop the strategy on behalf of Maribyrnong City Council and joint project sponsor, the Department of Planning and Community Development.

Located next to the burgeoning Docklands urban renewal precinct and the Port of Melbourne, Australia's largest container port, Maribyrnong is a major employment destination and manufacturing hub. Consistent with its near city location, the municipality has a comparatively mature settlement pattern with few remaining greenfield sites.

Development activity over the past decade, which has been significant, has largely involved the conversion of former industrial land to medium density residential or commercial use. Examples include Delfin's Edgewater Estate and travel guide publisher, Lonely Planet's move into a converted older-style multi-level warehouse.

The purpose of MEIDS is to develop a thorough understanding of the economy of Maribyrnong, its likely future, and to develop strategies to ensure a sustainable economic future and determine the role and appropriate land use directions for the city's key industrial precincts.



Photo (L to R)

Ms Lillian Santoro-Woolmer (Co-ordinator, Economic Development, Maribyrnong City Council), Ms Anneke Barlow (Manager, Property Research and Consultancy, Jones Lang LaSalle [AECgroup's project partner]), Hon. Jenny Mikakos MP, Parliamentary Secretary for Planning, Cr. Sel Sanli, Mayor of the City of Maribyrnong, Mr. Robert Buckmaster, Melbourne Office Manager AECgroup, and Mr Adam Parker (Senior Strategic Planner, Maribyrnong City Council)

For more information regarding the Maribyrnong Development Strategy please contact Robert Buckmaster, Senior Economist on 03 9819 2763 or email robert@aecgroup.com

News Item 3

AECgroup teams up with international property and development advisor

AECgroup is pleased to announce we have formed a strategic alliance with Johnston Enterprises (Australia) Pty Ltd (www.johnstonenterprisesaustralia.com).

Johnston Enterprises is headed up by Mr. Norm Johnston who is a respected international property and development advisor, having worked in key executive roles in Australia and Overseas for the past 15 years.

Mr. Johnston combines a unique commercial acumen with knowledge of Government process, and the ability to deliver large complex and multi-dimensional projects. Mr Johnston has delivered on behalf of Government, a number of prestigious high profile developments, and financially closed several development contracts and PPPs worth up to US\$1 Billion. His last role was CEO of a large Middle East Corporation, and adviser to International Banks on Infrastructure Funds and PPP programs.

Johnston Enterprises provides the following specialist consultancy services:

- Major Projects (Governance, Procurement, Contract and Negotiation)
- Infrastructure Planning, Funding and Delivery.
- Contract Management – PPP, Master Development Agreements and PDAs.
- NSW Part 3A Planning Applications
- Strategy Development (High Level)
- Special Economic Zones
- Property Development
- Portfolio Management
- Economic Development Modeling
- Feasibility Studies
- Government Tender Panel Assessment (\$100M + Projects)
- Contract advocate – negotiation and dispute management
- Structure Plans, Master Plans and Development Control Plans.
- Infrastructure Plans and Contributions Documents.

“This strategic alliance will significantly boost AEC’s property advisory services by contributing significant government knowledge, project size and international experience.” said CEO Simon Smith. “It is a perfect marriage of the technical and project management skills of AEC with JE’s high level government contacts, international property and development experience and the demonstrated ability to deliver large complex and multi-dimensional projects. This alliance is another building block in our strategy to become a leading Australian consultancy group.”



Economic Outlook Gavin O'Donovan

Australian official interest rates have been increased from 3% to 4% in recent months as the Reserve Bank reverses some of the stimulatory rate cuts introduced last year.

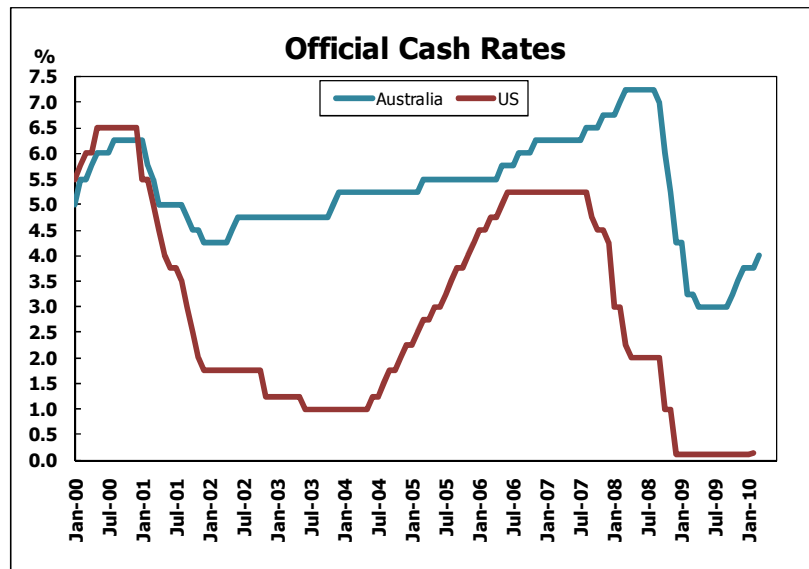
In the Governor's statement following the most recent interest rate increase in March 2010 (extract below), it was evident that the increase in rates to 4% is merely a further step in the process of moving interest rates closer to the long-term average, i.e. he has strongly indicated that Australians should expect more rates rises soon. Note that the average official cash rate in the 'noughties' was 5.32%, some 1.32% above current levels.

Interest rates to most borrowers nonetheless remain lower than average. The Board judges that with growth likely to be close to trend and inflation close to target over the coming year, it is appropriate for interest rates to be closer to average. Today's decision is a further step in that process.

The next six to twelve months are crucial, and the Reserve Bank is well aware that any significant increase in interest rates will hurt those that may have over-extended themselves in recent years. However, it is concerned that any continuation of current monetary stimulus will lead to inflation exceeding its 2%-3% target range.

Our housing market appears to have staged a strong rebound in recent times from what was a very mild 'downturn' relative to other countries. Some are still questioning whether this rebound can be sustained without some form of market correction, particularly at the lower end of the market which appears overpriced in some areas.

The share market is also relatively volatile at present, with concerns regarding the ability of a number of countries to finance their debt. Given the extent of impacts and global contagion from the credit crunch -> credit crisis -> Global Financial Crisis, it may be some time before we return to pre-crisis investor sentiment. Our saving grace remains China, with Asia also showing signs of strong growth again.



Source: Reserve Bank of Australia, United States Federal Reserve Board

If you require any consultancy advice on the implications of the current economic and financial climate on your organisation, please contact Gavin O'Donovan, Senior Consultant on (07) 3831 0577 or gavin@aecgrouppltd.com.

BSF Feature story
Gavin O'Donovan

PUBLICATION RELEASE: Water, Sewerage and Waste Price Benchmarking for Large QLD Councils

The AECgroup has recently released two price benchmarking publications for Queensland local government utilities, which have been made available free of charge to assist Councils in undertaking comparisons between their local charges and those levied in other regions. The publications are:

- Water and Wastewater Price Benchmarking – Large Queensland Service Providers; and
- Waste Utility Price Benchmarking – Large Queensland Service Providers.

...and can be downloaded here:

<http://www.aecgrouppltd.com/publications>

The publications focus on charges levied on residential properties, net of any applicable discounts, and show relatively high price increases across local government utilities in the 2009/10 financial year, with:

- Median water charges for residential properties consuming 200kL per annum increasing by 13.5% to \$523.24 in 2009/10 from \$460.96 in 2008/09;
- Median water charges for residential properties consuming 400kL per annum increasing by 21.8% to \$832.45 in 2009/10 from \$683.60 in 2008/09;
- Median sewerage charges for residential properties consuming 200kL increasing by 5.9% to \$490.50 in 2009/10 from \$463.00 in 2008/09; and
- Median waste collection service charges for residential properties consuming 200kL increasing by 11.6% to \$216.00 in 2009/10 from \$193.50 in 2008/09.

Given continuing cost pressures on the water, sewerage and waste operations of Queensland Councils, it is envisaged that annual increases of 10% will continue for at least the next five years. Water charges will continue to be impacted by water source upgrades and industry cost pressures, sewerage charges will be further impacted by increasing EPA compliance requirements regarding effluent discharges, and waste charges will be impacted by new waste policies from the federal and state governments, carbon issues and higher contracted collection costs.

In a recent conference presentation, AECgroup predicted continued jumps in local government utility charges over the next decade, as outlined in the table below:

Charge	Now	10 years?
Water	\$600	\$1,500
Sewerage	\$500	\$1,250
Waste Collection Service	\$200	\$500
TOTAL	\$1,400	\$3,250

The AECgroup Business Strategy & Finance division is an industry leader in the provision of advice to local governments across Australia, and has considerable expertise in the water, sewerage and waste management sectors. If you require assistance regarding any aspect of your local government operation, please don't hesitate to contact Gavin O'Donovan, Director and Business Strategy & Finance division manager, on (07) 3831 0577 or gavin@aecgrouppltd.com.

EPD Feature Article
Duncan McKimm

Efficiency and the environment: Consumer driven climate change solutions

Climate change has emerged as an issue that affects every aspect of our lives, from our homes to our businesses. The role of human activity in accelerating climate change is now an accepted science. In addition, there is global consensus that emissions reduction is the path to dealing with this issue; these factors combined mean the cost of carbon will be a focal point for policymakers around the world. For consumers in particular, this means efficiency gains will be essential for maintaining quality of life.



The ABS's *Australia's Environment, Issues and Trends* report released in January delivered a timely reminder of not only how far we have come in increasing our energy efficiency, but also how far we need to go in order to reduce emissions. Australians are some of the world's largest per capita emitters of greenhouse gases – producing 1.5% of world emissions despite having just 0.3% of the world's population.

As the table below shows, the majority of Australia's emissions come from energy production – meaning the role of energy consumers in meeting emissions targets will be critical. Reductions in waste and the once-off reductions realised with the curtailing of land clearing mean the frontier of future emissions reductions will be efficiency gains.

Source	% of Total Emissions 2007	% Change from 1990 - 2007
Energy	68.4	42.5
Stationary Energy	48.8	49.5
Transport	13.2	26.9
Fugitive Emissions	6.3	29.1
Agriculture	14.8	1.5
Land Use	9.4	-57.4
Industrial Processes	5.1	25.7
Waste	2.4	-22.3
Australia's Net Emissions	100	9.0

Fittingly, the snapshot presented by the ABS shows a society in flux – with energy efficiency and awareness becoming a priority for consumers, who are taking concrete steps towards reducing their emissions and becoming more energy efficient.

To illustrate this changing attitude to energy use:

- In 2007-08, almost 90% of Australians reported taking steps to limit their electricity use – with the main reason given for not doing so being their electricity use was already low enough;
- When buying new appliances, energy efficiency was stated as being more important than purchase price for almost three quarters of Australian consumers buying air conditioners and refrigerators;
- Between 2000-01 and 2004-05, water use per person fell 14% in Australia – and from 1994 to 2007 the proportion of houses with water conservation devices more than doubled; and
- Almost two thirds of Australian households reported having insulation in 2008, up from 52% in 1994.

These figures show the use of incentives and restrictions (particularly for water) have been effective in increasing efficiency – and with emissions reduction policy uncertain at best, the role of incentives and voluntary actions like these may yet prove to be a key factor in controlling climate change.

Following the Global Financial Crisis and with a Federal election looming, the major political parties will be placed in the awkward position of wanting to appeal to public sentiment (which still largely favours action on climate change) while still protecting jobs and shielding consumers from increased prices. Whether emissions reductions without increased consumer costs can be made a reality remains to be seen, but if it is to happen, efficiency gains will almost certainly feature heavily in such a solution.

For more information on efficiency and the environment, or for any general economics query please contact Ashley Page on 07 3831 0577 or email him at ashley@aecgrouppltd.com

CRS article
Jane Cowell

The Year In Review

Looking back over the past year it will be remembered as a year of diversity with the *AECgroup* Community Research and Strategy team involved in a range of projects, developing new products and meeting new clients.

We were delighted to be part of the award winning **Bold Future project** <http://www.boldfuture.com.au/> a community-planning project used to develop a blue print for the Gold Coast through to 2040, with Gold Coast City Council.

We welcomed new clients, such as the City of Port Philip in Victoria, Cassowary Regional Council, Dalby Regional Council and Fraser Coast Regional Council in Queensland, and City of Melville in Western Australia.

As Library Services face the current challenges of amalgamation, shrinking budgets and fast changing technology, they must focus on business measurement, meeting community needs and forward planning. These Library Services used our services for Strategic Planning workshops to challenge library staff traditional thinking, to develop innovative and sustainable service delivery models, analysis of performance and surveying the community.

As libraries move towards a challenging future, with an active online environment, they require more detailed knowledge of how their collections perform. *AECgroups* new product, Collection Analysis, provides an in depth analysis of collection performance, to individual collection and Dewey levels. Clients who have used this in depth data to inform their planning, develop a collection plan, and revise their selection profiles have included **Woollahra Municipal Council** http://www.aecgrouppltd.com/default.asp?case_display_id=89&id=6.05.6 Townsville Regional Council and Queensland Department of Education and Training.

AECgroup was a sponsor, presenter and attendee at the QPLA conference in Townsville in 2009, a presenter at the AMSR conference in Sydney, and presented a booth at the SWIFT library conference in Sydney. These conferences were timely with quality presenters and papers and the networking, as always, was impressive.

2010 brings a wealth of opportunity with our current projects being exciting and varied. Combining financial analysis, market research, community consultation, service delivery model development and forward planning the following major projects will take us across the nation.

- City of Melville WA, Library and Museum Services Future Plan;
- Cairns Regional Council QLD, Library Review and Forward Plan;
- Clarence Valley Council NSW, Community Health Business Plan; and
- City of Playford SA, Library Services Forward Plan.



Wishing all our clients a brilliant 2010 and hope we catch up with you all over the year.

For more information please contact Jane Cowell, Senior Consultant at jane@aecgrouppltd.com.

DMA Article
Sally Freedman

Why e-Marketing?

At AECgroup Design Marketing and Advertising, we take time to get to know your business, your goals for growth and who your customers are. This helps us create effective graphic design elements to establish the 'right' image for your company. We understand the creativity must be attention grabbing and we ensure the end product is practical to make certain the right message reaches the right people, achieving the right objective. One method to ensure your message hits the 'right' people is through e-marketing and web design. AECgroup have expertise in both of these areas. Some benefits of e-marketing are highlighted below:

- **Global reach** - a website can reach anyone in the world who has internet access. This enables you to find new markets and compete globally for only a small investment.
- **Trackable, measurable results** - marketing by email or banner advertising makes it simpler to establish how effective your campaign has been. You can obtain detailed information about customers' responses to your advertising.
- **24-hour marketing** - with a website your customers can find out about your products even when your office is closed.
- **Personalisation** - if your customer database is linked to your website, then whenever someone visits the site, you can welcome them with targeted offers. The more they buy from you, the more you can refine your customer profile and market successfully to them.
- **Lower cost** - a properly planned and well targeted e-marketing campaign can reach the right customers at a much lower cost than traditional marketing methods.
- **One-to-one marketing** - e-marketing lets you reach people who want to know about your products and services immediately. For example, many people take mobile phones wherever they go. Combine this with the personalised aspect of e-marketing, and you can create very powerful, targeted campaigns.
- **More interesting campaigns** - e-marketing lets you create interactive campaigns using music, graphics and videos.
- **Better conversion rate** - if you have a website, then your customers are only ever a few clicks away from completing a purchase. E-marketing is seamless and quicker; unlike other media which require people to get up and make a phone call, post a letter or go to a shop.



Together, all of these aspects of e-marketing have the potential to add up to more sales.

AECgroup have a wealth of experience in e-marketing. Some of our web based work can be viewed on our portfolio on the AECgroup Design Marketing and Advertising Page

<http://www.aecgrouppltd.com/dma/>.

Let *AECgroup* help you stand out from the crowd, by creating the perfect web campaign. If you would like any advice on e-marketing or web design or for any general design, marketing or advertising consultancy enquiry, please contact Lyndon Berresford, Creative Director, by email at lyndon@aecgrouppltd.com or telephone (07) 4771 5550.

**IKM article
Simon Smith**

Information Access: does the device matter?

Recently we have seen the launch of "the fourth screen" aka the Apple iPad. The other three screens are the mobile phone, notebook or desktop and television. But what does it really mean in the business world of information technology and communication? Is it another, potentially more useful, way to communicate, access information and entertainment or is it a replacement for one of the other three screens?



As access/display devices and information content improves, individuals, households and businesses are becoming more reliant on information being available immediately. From an individual's perspective, news, navigation, searching, purchasing and banking are key information applications.

For non-entertainment organisations it is imperative to be able to access contacts and schedules, customer and sales data, price lists, stock levels, delivery schedules, company performance and financial information both at the office and on the road. In some businesses it is also vital to provide customers access to their own data and facilities for them to place, pay for and track orders.

Typically (and simplistically) there are four elements that are required to enable access to information:

1. Data sources: corporate databases where information and business rules are stored.
2. Connections: wired and wireless and switches and transport rules.
3. Access/display devices: the human interface.
4. Applications: pass on requests from the access/display devices via connections to the data sources, receive the information and display it.

It is the applications that make the whole system successful from an end user perspective. However, applications are reliant on the adequacy of the data sources, the speed and

security of the connections and the usefulness of the access/display devices. It is also the applications and data sources that business generally has the greatest control over. Businesses decide what data they collect and store, what data they make available and who can access it using an application that they create and distribute. The application should operate on any access/display device and fortunately we have standardised operating environments and protocols such as web browsers that ensure this is the case.

So does the device matter? In short most businesses will not favour one end user access/display device over another. A business has to make sure that its applications work with a variety of access/display devices and generally will not care what type of access/display device is in use provided their application works for the user as it should. It is also in the interests of the access/display device supplier to ensure that its device is concurrently and backward compatible with as many applications as possible.

Where businesses may get a little more excited is where a device offers features or benefits to them that are not available on other devices and where that particular device is developing a significant market share amongst their customers.

At *AECgroup*, our Information and Knowledge Management team has decades of experience in developing applications for internal business management and their customers. For more information please contact Simon Smith at simon@aecgrouppltd.com.