



Case Study

INDUSTRIAL REVITALISATION

HunterNet

This is the story of HunterNet – a network established in the Hunter region of New South Wales, in response to the shifting economic climate of the 1990s that saw the closure and loss of business across the manufacturing, engineering and consulting industries. The network has revitalised the Hunter region into a region of manufacturing and engineering excellence. In 2006-07, the Hunter region was the second largest manufacturing region in NSW with manufacturing carried out at 2,123 locations and employing 23,639 people.

The Power of Many

HunterNet was incorporated in 1992 and is a network of small and medium-sized manufacturing, engineering and consulting companies located in the Hunter region of NSW. Now involving over 180 companies, the network was formed to combat the shrinking market opportunities that many manufacturing and engineering companies were experiencing and to create new opportunities for the companies and the region, in order to survive.

HunterNet Chief Executive Officer John Coyle says the non-trading, not for profit cooperative was born because the region’s stakeholders had the desire to collectively stay in business.

“The purpose of HunterNet is to marshal the collective energies of engineering-based manufacturers to assist our members and other stakeholders in the Hunter and Central Coast region so they can achieve a sustainable and innovative business that can compete in a global marketplace,” Mr Coyle said.

“We do this by marketing the combined capability of our members, providing business development and training opportunities and promoting the region as a whole, as a region of manufacturing and engineering excellence.”



Port of Newcastle

Since the cooperative was established 19 years ago, a number of actions have been taken to revitalise manufacturing industries throughout the region, including:

- supporting innovation;
- encouraging collaboration;
- facilitating business opportunities;
- providing training and opportunities for networking;
- lifting profiles of members and HunterNet;
- developing export programs;
- tracking project and development opportunities;
- meeting the needs of member skills shortages through the group training service; and
- identifying funding opportunities.

HunterNet has developed and supported initiatives based on member feedback through surveys, group meetings and an annual planning meeting where members are encouraged to participate in the strategic direction of the cooperative. Members advise on what types of services and programs they believe will assist members to develop, innovate, diversify and grow their business. The Business Plan for the coming year is derived from the Planning Meeting and reviewed on a quarterly basis.

“The ‘Innovate the Hunter’ program has been particularly successful in allowing our members to carry out a self-assessment to determine their relative standing on an innovation curve, while identifying appropriate strategies to drive innovative practices within their business,” Mr Coyle said.



“Successes we have experienced in these areas are key as we strive for future success for the region and gear up for our next stage of industrial development.”

- John Coyle

“With understanding the need for improved innovation and productivity becoming more widespread on a national level, as well as the establishment of Enterprise Connect, we have been able to drive the second stage of innovation practices for our members. This second stage has involved a Business Review program in which 30 members have participated in to date.”

Governed by a Board of Directors, the cooperative has relationships with key bodies including NSW Department of Trade and Investment, Regional Development Australia - Hunter, The Hunter Export Centre and the University of Newcastle.

“These relationships provide the cooperative with additional support and services, as well as weight in the political and business arenas,” Mr Coyle said.

“This has assisted the cooperative to achieve a number of major milestones and projects such as continued growth of our membership base, employment of a Business Development Manager, establishment of committees, winning work on major projects including ship building, aerospace, rail and mining.”

An example of the network’s success has been the opportunities developed for small and medium enterprises via the Hunter Defence Project. The Project was launched as a result of a funding submission to NSW Industry and Investment to encourage local Hunter-based manufacturers and service providers to link to greater opportunities in defence and assist with the growth of the defence industry in the region.

“The Hunter Defence Project has seen industry workshops and one on one activity with SME’s, including presentations during visits and meetings with over 70 companies in the region.

“The project has also seen local businesses successfully gain the design, manufacture and supply of Ground Support and Docking Station for a C17 Globemaster aircraft, and the services for the 2010-2013 National Airfields Pavement Maintenance Program.

“Successes we have experienced in these areas are key as we strive for future success for the region and gear up for our next stage of industrial development.”

The Challenges and Encouraging Innovation

Despite a strong core group of more than 150 members, the cooperative has still faced several challenges during their 19 years to get to where they sit today – a network that actively promotes innovation and growth, while working together to compete on a global scale.

“The obvious challenge our cooperative has faced is the decline in manufacturing in our region, the very reason we were established,” Mr Coyle said.

“As we have grown over the years we have also had to manage the expectations of our members and the global financial crisis of 2009-10 was an added hurdle.

“The global financial crisis saw many of our members experience a downturn in work, so the cooperative developed a revised value proposition to help cope with the changes this brought on. Fortunately it had a minimal effect on the cooperative in regard to our membership numbers.

“Not being able to benchmark ourselves against any ‘like’ organisations has definitely been another challenge when it comes to evaluating our effectiveness.

“But we have not let these challenges stop the cooperative from being innovative and proactive in the way it works and supports its members.

“The cooperative has implemented a number of mechanisms to develop, foster and encourage our members to become more innovative including the provision of training programs that are focussed on innovation, developing an effective relationship with Newcastle University and TAFE, supporting great programs such as ‘Innovate the Hunter’ and participating in the local ‘Innovation Festival’.”

The cooperative also has several unique characteristics recognised and adopted by other regions, including:

- having a regional focus;
- encouraging and supporting innovation through the facilitation of funding and programs;
- working closely with government and large corporations;
- having a diverse membership base;
- encouraging ‘sponsor members’ to assist ‘general members’;
- senior members supporting and assisting in the cooperative’s operations;
- a mentoring program; and
- experiencing ongoing growth.

“There are several other stakeholders and partners involved in the cooperative, such as those at a government level and local tertiary training facilities mentioned above, as well as Enterprise Connect, the Hunter Manufacturing Association, the Industry Development Centre and the Hunter Business Chamber,” Mr Coyle said.

“The success of our cooperative model has been adopted by other industrial regions including Mackay Area Industry Network (MAIN), GE Gladstone and IC3 Illawarra.”



“The cooperative has implemented a number of mechanisms to develop, foster and encourage our members to become more innovative including the provision of training programs that are focussed on innovation, developing an effective relationship with Newcastle University and TAFE, supporting great programs such as ‘Innovate the Hunter’ and participating in the local ‘Innovation Festival’.” - John Coyle

KCT 8000 tph bucket wheel reclaimers

Lessons Learnt and Remaining Relevant

Like any region cooperative or network, HunterNet has learnt many lessons and it has harnessed what they have learnt to ensure they remain relevant to members and the broader manufacturing, engineering and consultancy landscapes.

“Over the years we have certainly learned that it is better to ‘over deliver’ rather than ‘over promise’ and that our members want to network with each other and our external stakeholders as much as possible,” Mr Coyle said.

“We know that the members that contribute the most to our cooperative are the ones who get the most from it.

“It has also become apparent that organisations such as NSW Department of Trade and Investment need cooperatives like HunterNet and that the alliances we have in place continue to grow in strength as we continue to grow.

“While we continue to grow, it is equally important that we don’t lose our focus and become irrelevant to our members. To ensure this doesn’t happen we have an annual business plan through which our members drive the actions we set out to achieve each year, we seek feedback from our members through regular surveys and communicate to them through our general meetings and website.

“We are also continually revising the effectiveness of our programs and committees, we provide ongoing training programs and we are committed to the ongoing development of the HunterNet Group Training Company.”

Summary

Through forward-thinking, hands-on approaches and proactive programs, HunterNet has been successful in recovering and enriching the manufacturing industry in the Hunter region.

The three main project committees: Defence, Infrastructure and Mining, continue to evolve and are beginning to focus on specific projects where member capabilities are presented as a collective or collaborative group.

HunterNet will continue to head other initiatives that will provide stimulus and relevance to members in the cooperative, including the further development of the HunterNet Group Training Company and services aimed at using the cooperative’s collective purchasing power.

“All of the initiatives we have led and the lessons we have learnt have the Hunter region geared up for its next stage of industrial development and we believe we have the capacity and model in place that will see us truly become Australia’s leading industrial and manufacturing region,” Mr Coyle said.

