

# Ben & Co.

A BUSINESS & LIFESTYLE MAGAZINE FOR THE CHIFLEY SQUARE PRECINCT.

ISSUE #09 – INNOVATION  
AUGUST 2015



*Tesla*

## DRIVING INNOVATION

*Digital Solar*

**A NEW INCOME  
STREAM**

*Opinion*

**IS THE LAW  
UBER-FAST?**

# Ben&Co.

ISSUE #09—INNOVATION

## Welcome to Ben&Co.

In our previous issue, David Gonski noted that life is improved by innovation. In this edition, we discover that innovation challenges the status quo, finds creative solutions to our problems and ultimately moves the world forward. In business, technology, design and fashion, innovation takes on many forms and manifests in different ways but the sentiment remains the same - innovation disrupts.

Innovation giants Tesla are not only accelerating the advent of sustainable transport but also powering the planet. Technology startups such as Uber are challenging the law to keep up with commerce. Australian company Matter is defying our dependence on grid energy by bringing solar power to both landlords and tenants alike. For a bit of lifestyle improvement, Sydney-based kayak company O Six Hundred produces the

toolkit to slow down time and designer Karen Gee makes corporate dressing unique through customisation.

It takes courage to look at things differently and persistence to challenge other people to do the same. The more we can innovate, the more we can improve the way we live.

We hope you enjoy our latest edition and it inspires you to look at things differently.

Thanks for reading.

We'd love to hear from you. If you have feedback or would like to tell us your story, please get in touch.

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## Chifley Wins International Sustainability Award

The Chifley Tower Energy Efficiency Upgrade project has won the 2015 Performance Award at the Council on Tall Buildings and Urban Habitat Awards. The prestigious Performance Award recognises the building that has the lowest environmental impact on the urban realm using measured data. The green retrofit project (2011 - 2014) accomplished a dramatic improvement in energy consumption, cutting both greenhouse gas emissions and electricity consumption

by 55% in the Tower, and achieved the target 4.5 star NABERS Energy Rating in January 2015. Global property services firm JLL, who has managed the Tower on behalf of GIC since 2002, nominated the project in this year's CTBUH Awards. JLL's Head of the Premium Asset Group, Property and Asset Management, Mike George said, "We are thrilled that Chifley Tower has been recognised for this extensive energy efficiency upgrade project. It's testament that established commercial

properties can achieve impressive sustainability ratings to compete with the newest office buildings."

The CTBUH Awards recognise projects and individuals that have made extraordinary contributions to the advancement of tall buildings and the urban environment, and that achieve sustainability at the highest and broadest level.

To see all the CTBUH 2015 categories and winners, visit [awards.ctbuh.org](http://awards.ctbuh.org)



## CHIFLEY

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PHOTOGRAPHY  
ANT GEERNAERT  
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DESIGN & EDITORIAL  
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ILLUSTRATION  
YU OSAWA

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## The Briefing

Ben&Co. trades its insider knowledge.

### THE OLD CLARE HOTEL

Opening in August  
Kensington Street, Chippendale



The Old Clare Hotel will soon become the destination for Sydney foodies with the opening of three hotly anticipated new restaurants by internationally renowned chefs. Automata by Clayton Wells, formerly of Momofuku Seiobo; Silvereye by Sam Millar, former sous chef at Noma in Copenhagen; and Kensington Street Social by Michelin starred British chef Jason Atherton will open at the boutique hotel in the heart of Sydney later this month. Visit the rooftop pool, gym and day spa or enjoy a whisky at the luxurious Clare bar and lounge.

[theoldclarehotel.com.au](http://theoldclarehotel.com.au)

### THE BIG DATA & ANALYTICS INNOVATION SUMMIT

15 - 16 September  
Hilton Hotel, Sydney



It's a numbers game and big data and analytics are now being embraced by many industries as a means of driving success. Don't miss the chance to hear from world leaders in data science and business intelligence on how analytics can bring about innovation, reduce risk and increase efficiency in your business. Industry heavyweights including Telstra's Chief Technology Officer, Virgin Australia's Head of Analytics and Samsung's Head of eCommerce will offer cutting edge advice on how to extract insight and value from your data and help your company excel.

[theinnovationenterprise.com](http://theinnovationenterprise.com)

### ASIA PAC UNWRAPPED

Monocle podcast

The new podcast from global affairs magazine Monocle is a weekly briefing from the Asia Pacific region. Produced out of Monocle's studios in Tokyo, Hong Kong and Singapore, episodes cover topics such as Asia's new startup hotspots, the growth of Chinese think tanks and the emerging markets for wine collectors. Anchored by international journalists, it's 30 minutes of need-to-know news from this burgeoning region. Listen to the latest podcast on your way to work and find out how Japanese carmaker Suzuki is tapping into the higher end of the market in India.

[monocle.com](http://monocle.com)

### INNOVATION BAY

17 August  
Claire's Kitchen, Darlinghurst

According to the Global Innovation Index, Australia ranks 81st in the world. Innovation Bay's mission is to help Australia stay competitive on the global innovation stage, so if you're an investor or interested in the tech startup scene then this is for you. Its 'Angel Dinners' are regular networking events where four top startups pitch to a room full of 'Innovation Bay Angels' - forward thinking investors constantly looking out for the next big ideas. Success stories include group-buying company Spreets, which raised \$1.2m in startup funding and was later sold for \$40m. If you're passionate about innovation, you never know what you might come across.

[innovationbay.com](http://innovationbay.com)

### AMAZON LAUNCHPAD

Online marketplace

Tech gadget enthusiasts get ready! Amazon has announced Launchpad - a platform for young innovative startups to launch, market and distribute their products online. The specialised storefront on the website is selling a curated collection of cutting edge products in an effort to help fledgling companies build their businesses. So, if you're in the market for a drone, a floating Bluetooth speaker, a suitcase that connects wirelessly to your Smartphone, or just some inspiration, Amazon Launchpad is the place to look.

[amazon.com](http://amazon.com)

## The Designer in You

Karen Gee has dressed some of Australia's most prominent women in her unique custom-made dresses. Now she's opening the doors to her flagship store at Chifley.



"We researched, tried and tested what works best on a woman's body to create a beautiful silhouette without being too restrictive." Thick jersey fabric and strategically placed zips ensure that the dresses can be machine washed without stretching or packed in a suitcase without creasing. "Our signature fabric is guaranteed to stay in place and contour the body without clinging. It will make women of any age or size feel incredible."

With a successful online business model under her belt, Karen says opening a flagship store at Chifley was the next step. "When I started, I had no experience, so putting the business online was the most logical avenue. I never dreamt the brand would grow so rapidly or transform into something so special." The store will allow clients to experience the brand and enjoy the customising process in a tangible setting. In store you'll have the option of purchasing straight off the hanger or sitting down with an iPad and experimenting with over 50 styles and 35 colours to see what your dress will look like.

If the choice seems daunting, you can find inspiration in the "I'll Have What She's Wearing" gallery, which features looks that customers, including several celebrities, have custom-made. "We're really taking it to the next level, it's very interactive and we've got a social media area where people can share their looks." From a friendly and warm atmosphere, brilliant service and assistance, to style and presentation, the Chifley store is set to be an experience. "I am so excited to share this with all my KG women."

After 20 years spent raising five children, Karen Gee felt ready for a new challenge. In 2013, she launched an online fashion business that offers women the ability to buy her black 'Platform' dresses off the hanger, or customise them in a number of different ways. "It gives women the freedom to make something entirely different, unique to them and their taste. It becomes the dress you want to wear all the time."

Just days after launching, Karen experienced unexpected success when former Home and Away actress Demi Harman wore one of her designs to the Logies. "It was a fantastic night," she says, "our website crashed under the demand. It taught me one of my first big lessons - be prepared!"

Two years on and thanks to star fans including Danielle Spencer, Lisa Wilkinson and Melissa Doyle - who wore Karen Gee every day during her final week on Channel 7's Sunrise - her business has flourished and Karen's dresses are now in high demand. "Each design is made with simple details and the highest quality materials that enhance the female form", explains Karen.

Win a dress fitting session with Karen Gee to design three custom-made dresses valued at up to \$650 each. Visit [chifley.com.au](http://chifley.com.au) to enter.

Karen Gee, Shop 17, Upper Ground Floor



## A Suit Maketh the Man

Rodd & Gunn's new Tailored range will keep sartorial standards high at Chifley.

Lifestyle brand Rodd & Gunn is opening at Chifley this August with an exclusive new range of suits and accessories designed to help its customers look the business. Sourcing high quality materials from the best wool mills in Northern Italy, Rodd & Gunn's suits ensure quality construction designed to last. A technical team uses artisan methods and technological innovation to ensure two superb signature fits. The Regular Fit is a traditional cut for everyday wear, while the best-selling Slim Fit adds sharp lines to classic proportions for a contemporary edge. A range of ties, belts, scarves and leather shoes complements the collection.

Rodd & Gunn, Shop 21, Upper Ground Floor



# Can the law adapt Uber-fast?

Ben&Co. investigates how technology startups are challenging the law to keep up with innovative business models in the multi-billion dollar on-demand economy.

In June this year, a California court deemed an Uber driver to be an employee of the ride-hailing service and not an independent contractor. Though the ruling was applicable to one driver, three more have now asked a federal judge to try their case as a class action (a group of people represented collectively by a member of that group). Uber has filed in motion opposition to the class action, arguing that the claims of the drivers does not reflect all of their peers. However, the case highlights a challenge facing the legal system: when is a worker an employee?

Over the last 20 years, there has been a significant move from the traditional employer-employee model of working to a greater casualisation of the workforce. More people are working on a freelance basis, or moving away from traditional employment models and running their own businesses. 30% of Australians are now taking on some form of freelance work, and if we follow U.S. trends, this number will rise to 50% by 2020. Technology is disrupting traditional employment models even further. For example, the biggest taxi company in the world (Uber) owns no cars, and the biggest accommodation provider (Airbnb) owns no real estate. They don't have a workforce; they're simply a conduit between the people who do the work and the people who want the service. These platforms have increased the number of people who work transactionally with a company when and on terms that suit them, also known as freelancers.

Many of these disruptive businesses have set themselves up in a way that they don't have the liabilities of a traditional employer. Zero employees means a healthy balance sheet from the start and good access to the labour market, so from a business perspective it's a smart model. However, people are now asking the question - are workers within this model really freelance workers given that they are under the control of the company when they are working? In the case of Uber, workers can make themselves available and pick up work whenever they choose. But the company tells you what to charge and what car to drive, so there's an element of control. Does this mean that actually they should have the protections of an employee? There is a good argument to say not; the worker has the freedom of choice, which is more consistent with a contractor type arrangement. According to Uber, "The reality is that drivers use Uber on their own terms: they control their use of the app. As employees, drivers would drive set shifts, earn a fixed hourly wage and lose the ability to drive using other ridesharing



apps, as well as the personal flexibility they most value." It seems that the 20,000 new drivers joining Uber worldwide every month would agree.

"On-demand ride sharing" was not considered when the laws governing the taxi industry were enacted and the acceleration of these disruptive businesses means that traditional employment law is having trouble keeping up. For years, the courts have drawn distinctions between employees and contractors by looking at whether the company has the right to control the worker. If a company tells you when and how to work, then you're an employee; if the company sets a task and allows you to do it as and when you see fit, then you're a contractor. These new business models test the boundaries of the law and question whether this traditional employment relationship is the right way of looking at the issue, and if the freelance work approach is consistent with that.

The freelancer model also calls into question what sort of basic safety standards you put in place when a person sets themselves up to work at home. It's very difficult to supervise freelance workers. If they're drivers, for example, they're out and about, if they work from home, they're in their homes; they're both very low control environments for a company, which will nonetheless have obligations to ensure the health, welfare and safety of the people doing the work.

The Australian legal framework is adapting by changing the test for a contractor and an employee. It's moving away from a more old fashioned way of looking at it - whether you're subject to the control of a company - and more towards asking the question, are you a businessperson in your own right or do you work in someone else's business? There have been some recent cases in the Federal Court that have looked at this issue through this lens, which shows the courts looking at these sorts of arrangements in a more contemporary

way. It will be some time before the law gets settled on it and technology will of course have evolved further in that time.

The implications of this issue impact the businesses, the workers and ultimately the consumers. For workers, a more flexible workforce challenges the traditional way employees are rewarded. In the conventional model, if you work at particular times you get an overtime or penalty rate and that whole model doesn't fit with the work freelancers are doing. For example, it might suit an Uber driver to work nights but as an employee they might get a penalty rate for working at that time, which makes it cost prohibitive for the employer and there's no need for a penalty when that's the worker's preference. Uber has statements from over 400 drivers who say they prefer the flexibility that being an independent contractor provides. It's a topical issue and there has been some litigation in the Australian hospitality industry, but in the technology industry it's particularly relevant.

The risk the businesses face is the courts stating that freelancers are actually employees and treating them as conventional employers. At a commercial level, this will test the business model of these companies, particularly the amount of capital needed. In the case of the pending class action against Uber, Reuters reports that a ruling in favour of the drivers "could significantly raise their costs beyond the lawsuits and force the companies to pay social security, workers' compensation, and unemployment insurance." This means raising more capital and the cost of business going up.

Ultimately, the higher cost will flow into the fee the business has to recover from the end customer to make its service profitable. Uber's great appeal is not only its real-time tracking capability, which makes hailing a taxi at the touch of a button both easy and safe, but also its lack of cash exchange and reduced travel rates. If Uber has to raise costs due to a restructured business model, the consumer would pay more and the offering would become less desirable. This could have a big impact on other on-demand businesses, and prove to be a hand break on the startup culture.

Time will tell whether the legal system will adapt to safeguard the innovation that society is so keen to embrace, and ensure the best outcome for the consumer. As Rachel Botsman suggests in the AFR, "Regulation should enable innovation that disrupts a market for the benefit of the majority."

# DRIVING INNOVATION

TESLA

Elon Musk and Tesla's three-step strategy  
to change the world.

PORTRAIT COURTESY OF  
NIGEL PARRY/CPI SYNDICATION/HEADPRESS

PHOTOGRAPHY COURTESY OF  
TESLA





- ← The paint application space at the Tesla factory in Fremont, California. There are eight colours available within the online design studio.
- ↓ The Tesla factory is 5.3 million square feet of pristine white lab-like interior that reflects a strong attention to detail. Built on the former site of a combined General Motors / Toyota factory, the facility can currently turn out 100,000 Tesla vehicles annually.

*Our competition is not other electric car companies, it's getting people out of internal combustion vehicles and into a better product that could change the future of humanity.*

Dividing his attention between Earth, Mars and the Sun, Elon Musk has his eye on the big picture. The maverick thinker made his fortune with PayPal during his twenties, and in 2002 launched SpaceX, a company whose ultimate goal is the colonisation of the red planet. If anyone can do it, it's Musk. As of May this year, SpaceX has flown six missions to the International Space Station under a cargo resupply contract from NASA.

The billionaire's most recent innovations take place on earth. Already chairman and lead investor in solar installation company SolarCity, in 2004 Musk provided the initial funding that launched performance electric car manufacturer Tesla. His mission was to reduce the world's dependence on oil by making electric cars desirable.

Today, Tesla boasts the Model S, a machine of cutting edge technology that goes from 0 to 60mph in 3.2 seconds. Earlier this month, Tesla announced a software upgrade for the Model S called Ludicrous Mode that promises to reduce this time to 2.8 seconds, beating Lamborghini, Ferrari and McLaren over the line. Musk's mission is accelerating quickly.

Tesla owners will discover innovation pervades every aspect of Tesla's offering. Most cars don't improve with time, but thanks to regular over-the-air software updates (similar to updating a mobile phone) the Tesla Model S gets faster and smarter overnight in your own driveway. That's what happens when a Silicon Valley technology company designs a car. "We like to think of ourselves as a technology company first and a car company second", says Heath Walker, Australian Marketing and Communications Manager.

To speed up the transition to sustainable transport, Tesla has released its patent to the global public. "Many people would call this poor business sense but our competition is not other electric car companies", says Walker, "it's getting people out of internal combustion vehicles and into a better product with a lower cost of ownership that could potentially change the future of humanity."





- ← The sheer space inside the Model S is perhaps its most striking feature. The lack of transmission tunnel means the floor is completely flat and the absent engine block gives it a boot at either end.
- Home batteries are key to Tesla's mission to wean the world off fossil fuels. Capturing energy during the peak solar hours in the middle of the day, the PowerWall can then power an average house through the high power usage evening hours. The lithium-ion pack is guaranteed for ten years and requires no maintenance.
- ↓ The Tesla Gigafactory, due to open in 2017, will produce the world's entire supply of lithium-ion batteries by the end of the decade. In strategic partnership with Panasonic among others, the Gigafactory will harness economies of scale to reduce waste, refine technology and ultimately drive down the per kilowatt hour cost of Tesla battery packs by over 30%.
- ↘ Traditional electric vehicles must be plugged in overnight to charge the battery. The Tesla SuperCharger can give a 50% charge in 20 minutes and a full charge in an hour. Tesla is also rolling out a 'Destination Charging' network across Australia, where approved properties are offered two charging stations installed for free. So far, 22 Australian businesses have signed up.



Saving the world with electric supercars powered by renewable energy is a bit of a departure from automotive industry norms and Tesla's business strategy is equally innovative. The last successful startup car company in America was Chrysler almost a century ago. With very high barriers to entry, it's basically an impossible endeavour. It takes a huge amount of capital to build factories, hire specialists, design a car and build prototypes, and in order to profit you have to sell at high volume. Cars are expensive to make and margins are thin so you have to create a car that lots of people will want (and be able) to buy.

So when Tesla launched the Roadster in 2008 – a high performance electric sports car with a 245-mile range and a starting price of over \$250,000 (AUD) it was an audacious move, but a calculated one.

The Roadster was the first step of a carefully conceived three-stage business plan. With twice the efficiency of a Toyota Prius and an acceleration of 0-60mph in less than four seconds, the Roadster shattered negative preconceptions around electric cars.

With a captive audience and the profits from step one, Tesla commenced step two: producing a more affordable luxury car at a higher volume. At over \$100,000 (AUD), the Model S is the fastest four-door sedan ever built. A feat of engineering and technology, it's a seven-seat coupe (you can fit two extra child seats in the back) with the aerodynamics of a supercar. In its first year, sales blew direct competitors such as the S-Class

Mercedes, BMW 7-Series, the Lexus LS and the Audi A8 out of the water. A Model S is currently parked in the retail atrium at Chifley.

Step three of Tesla's plan aims to deliver the coupe de grâce to the combustion engine and turn the industry on its head. The Model 3, due to go into production in 2017, will be an approximately \$50,000 (AUD) car targeted at the middle class. Tesla is planning a production rate of 500,000 cars per year worldwide, a sufficient number of electric vehicles to force change in the automobile industry.

In order to meet these ambitious targets, Tesla is building a \$5 billion Gigafactory in Nevada dedicated solely to the production of the lithium ion batteries used not only to power cars, but also homes with the Powerwall – its new home battery system, which will be available in Australia later this year.

The sleekly designed unit is charged by solar panels over the day and sufficient to power the average house during peak evening usage, cutting energy costs and moving homes away from what Musk terms the 'mine-and-burn hydrocarbon economy.'

It makes perfect sense for an electric car company to be in the battery business and according to Musk, innovating with battery technology will allow Tesla to produce batteries 30% more cheaply, leading to cars with a 500-mile range – as battery prices go down, ranges will go up. The Gigafactory is on track to produce the amount of lithium ion batteries in 2020 that are currently being produced globally today.



*Instead of spending money on advertising and sponsorship, we constantly reinvest into our product and customers.*

Together with the Gigafactory, an international network of Supercharger stations is underway to allow long distance travel in its cars. The network is supported by a Destination Charging program in hotels, shopping centres and car parks across the world (The Star is the first Supercharging station aside from the Tesla stores in Australia). A network will connect Melbourne, Sydney and Canberra by the end of 2015, with 13 more planned for Australia's most transited routes in 2016. "We'll continue to map where our owners are and where they want to travel to," says Heath Walker. "Instead of spending money on advertising and sponsorship, we constantly reinvest into our product and customers."

That Elon Musk's heart is in the right place is beyond question. But is the Tesla promise borne out in the numbers? Recently analysts have questioned the company's ambitious car and battery sales forecasts, citing high cost and increased competition as challenges facing the innovation leader. Tesla is due to announce their second quarter earnings in August. Musk now looks to the future, with the Model X to be unveiled in the U.S. in the coming months, and reservations available now in Australia with deliveries in 2016.

The Model S is currently on display on Lower Ground Floor, Chifley.

[teslamotors.com](http://teslamotors.com)



TESLA & INNOVATION

## THE TESLA MODEL S



- Tesla Motors is named after the Serbian inventor and engineer Nikola Tesla, who created the induction motor and alternating-current (AC) transmission.
- The Model S has a dual motor – one in the front and one in the rear – digitally and independently controlling torque to the front and rear wheels. The result is unparalleled traction control in all conditions.
- It achieved a 5-star safety rating from the U.S. National Highway Traffic Safety Administration and was labelled as the safest car ever tested.
- Autopilot combines a forward looking camera, radar, and 360 degree sonar sensors with real time traffic updates, and has the capacity to automatically drive on the open road.
- A 17-inch touchscreen, digital instrument cluster, and steering wheel controls seamlessly integrate media, navigation, communications, cabin controls and vehicle data.
- The door handles are invisible but expose when needed, giving the Model S the aerodynamics of a supercar.

# Replicating Reality

"If you change the way you look at things, the things you look at change."

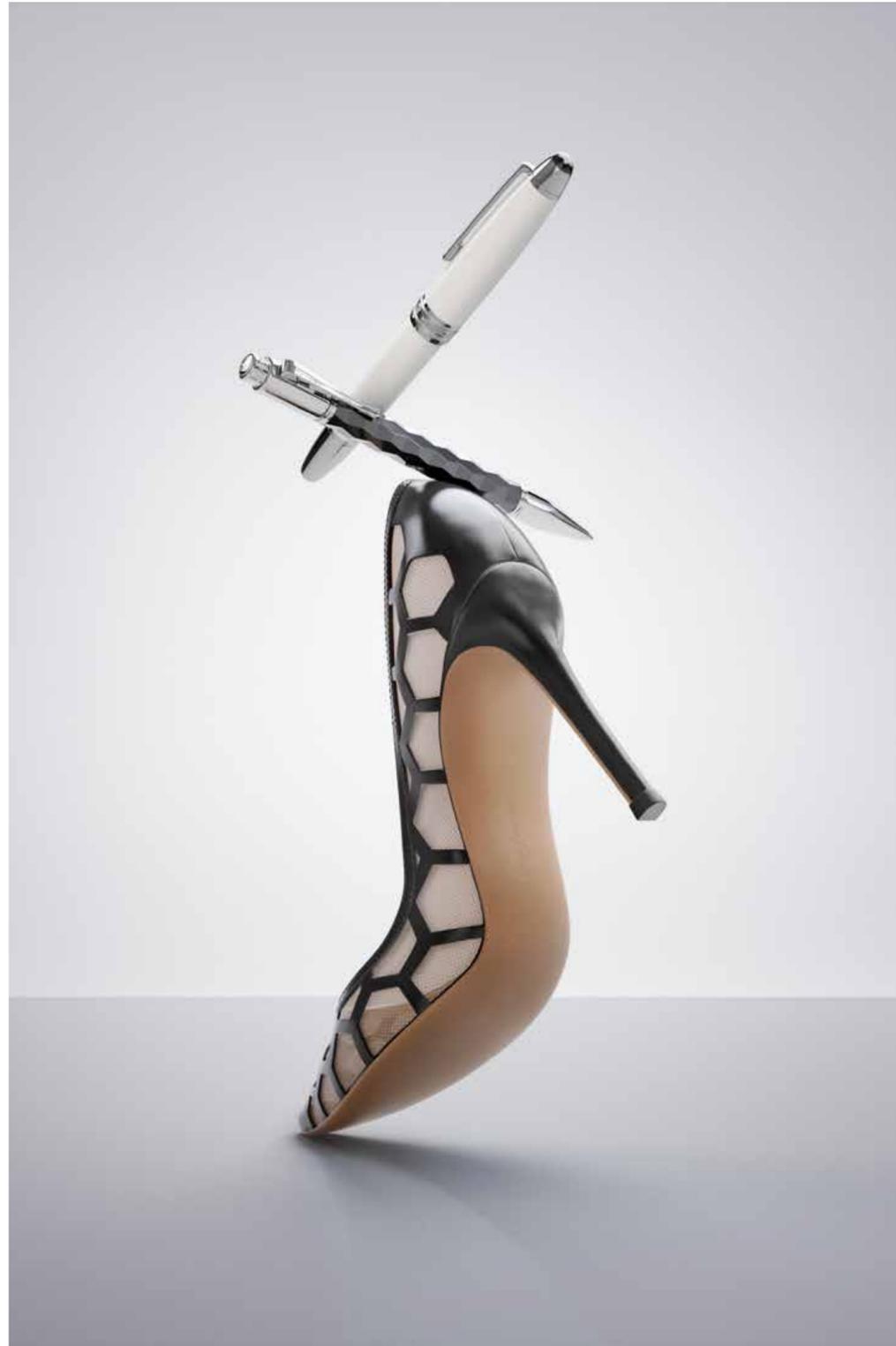
Wayne Dyer



BRIEFCASE Montblanc briefcase \$2295, POCKET WATCH Dalvey Full Hunter pocket watch \$295,  
 PEN Caran d'Ache Varius Ceramic Black ballpoint \$995 all Pen Ultimate, TIE Janssens Red/Navy tie  
 \$99.95 M.J. Bale, POCKET HANDKERCHIEF Paddington pocket handkerchief in navy \$49 Farage,  
 GLASSES Starck Lux 002598 \$729 Lifestyle Optical, SHOES Goodwin Tan \$269 Aquila.



HANDBAG Gina07S in navy \$1145 Max Mara, SCARF Acerra in pink \$215 Max&Co., SHOES Gianvito Rossi Net Heels \$975 Varese Shoes, PEN Tribute to Montblanc rollerball \$1370 Pen Ultimate, SUNGLASSES Oliver People Lux 002605 \$470 Lifestyle Optical.

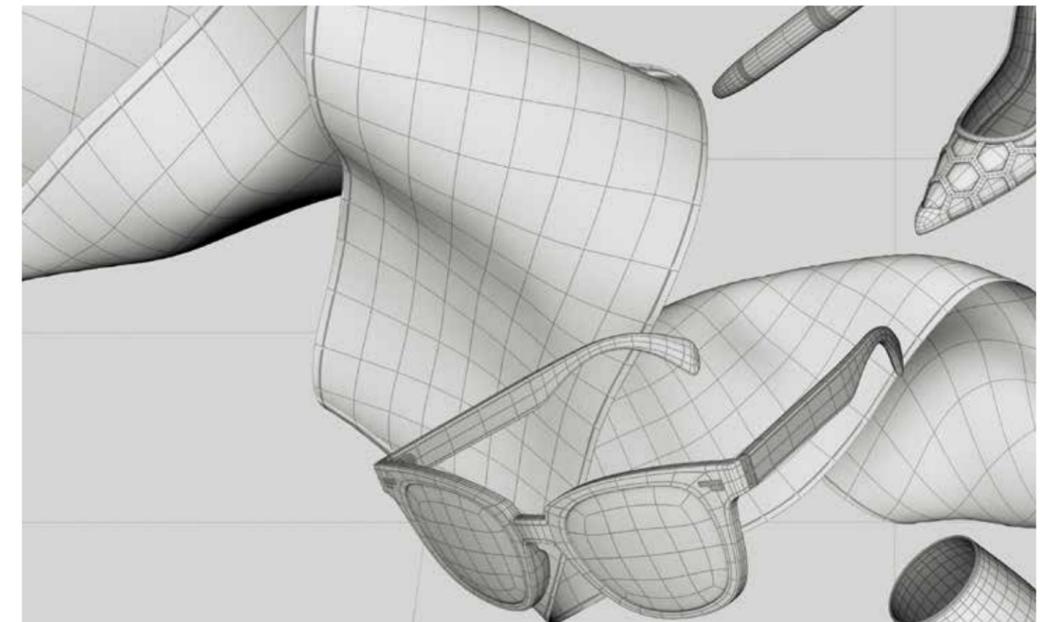
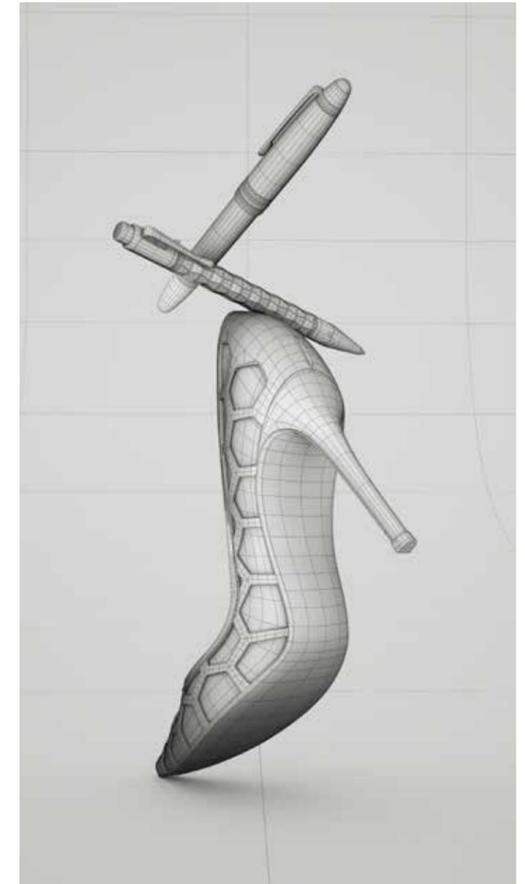


### Behind the Scenes

How technology and photography combine to create hyper-realistic imagery that defies reality.

Nick Kaloterakis is the founder of Kollected, a studio that specialises in CGI, or computer generated imagery. Ben&Co. worked with Kollected to showcase a traditional product photoshoot in an innovative and unusual way. The resulting images show polished 3D-generated objects that delight and disorientate with their effortless surrealism. "It's recreating reality in a virtual world", says Kaloterakis, "We recreate the objects in 3D using wireframes (three-dimensional skeleton models of lines and vertices)", he explains, "and create these images in a 3D space. We then play with materials and lighting to create photorealistic images." To get as close as possible to the real-world object, Kaloterakis and his team look at the properties of an object's materials in detail. "With leather for example, we look at the colour, how shiny or reflective it is and how it diffuses the light." As a 3D artist, Kaloterakis loves exploring the infinite possibilities of creativity, "Technology never stops", he says, "we're always pushing the pixels further and further into reality."

[www.kollected.com](http://www.kollected.com)



PENS Caran d'Ache Varius Ceramic Black ballpoint \$995, Tribute to Montblanc rollerball \$1370  
all Pen Ultimate, SHOE Gianvito Rossi Net Heels \$975 Varese Shoes.

# A Matter of Power

How one Australian company's lightbulb moment created the technology that promises a new income stream for property investors.



There's a reason why only 1% of all rental properties in Australia have solar power, and if you own an investment property you may well know what it is. How can landlords justify the considerable expense of installing a solar system, when the benefit of a reduced energy bill goes to the tenant?

Despite Australia leading the world in domestic solar adoption, with 1 in 5 owner-occupied homes sporting panels, there are 2.5 million tenanted properties caught in this dilemma. It's called the 'Split Incentive' problem. Chris Mrakas and Simon Barnes are the men with a solution.

Barnes and Mrakas are part of a diverse team of mathematicians, engineers and dreamers called Matter, a company that specialises in what they call positive disruption technology. This means they build software and hardware that is tailored to solve problems and create new business models. Matter has been applying itself to the Split Incentive problem, and its answer is Digital Solar, a world-first software and hardware bundle that makes solar power a viable investment for landlords for the first time.

Digital Solar comes in the form of an unassuming box, installed between the solar panels on the roof and the electrical box, feeding outlets into the home. Power generated by the solar system and consumed by the household is accurately measured and made available to both owner and tenant over the Internet.

The platform allows the owner to bill the tenant directly for the power they use, becoming, in essence, a mini-utility. A separate log-in allows tenants to view their usage in real-time (for example lighting, a washing machine), visualise the dollar value of what they're saving and even view a usage forecast, leading to more conscious energy consumption habits.

Digital Solar means landlords can now install solar energy systems that have very attractive payback periods, high lifetime returns, which improve both their rental incomes and the capital value of their investments. Installing Digital Solar can typically achieve a return on investment of 5-6 years with a Net Present Value of 2-3 times the investment.

Tenants can secure their basic energy supply charges as part of their tenancy agreement and only rely on the utilities for the top-up energy required that can't be produced by the solar system. Savings in the region of 10-15% off their utility supply charges are feasible.

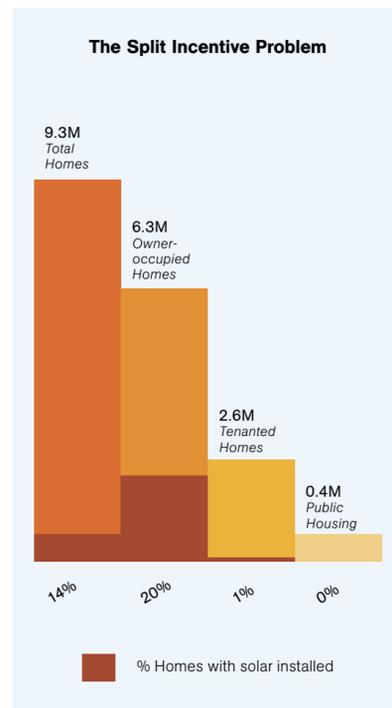
*Our role is to empower people who want to adopt sustainable energy options*

Of course the platform is a boon for solar installers too, who can look forward to a huge new market in rental rooftops.

The concept is a challenge to the 100-year-old centralised energy supply model and the chance to reduce environmental impacts isn't lost on Barnes and the team, "Our role is to empower people who want to adopt sustainable energy options with technology platforms that make it viable."

There is an element of higher purpose in what Matter is doing. Disruptive technologies of this kind can be integral to positive change and that's motivational for the Matter team, "Our mission is to build a community of businesses, people and things, all working together for the greater good."

smartmatter.com



## THE TENANT

Thanks to Digital Solar, tenants will access a dashboard with real-time energy usage statistics, enjoy reduced energy costs and can even generate an energy use forecast to help reduce unnecessary consumption. It's an example of the way technology can make the invisible visible and in doing so, challenge existing business models.



## THE LANDLORD

The sun shines on owners and renters alike. Digital Solar makes the significant cost of installing solar power in rental properties a viable investment for landlords for the first time. The solar system generates a new revenue stream for property investors, increasing the capital value of their property while paying itself off. The landlord agrees a rate with the tenant, essentially becoming the utility supplier. Both parties enjoy reduced environmental impacts.



# Paddling Upstream

The O Six Hundred kayak comes in 30 pieces and weighs less than 10kg, which means if you're strong enough to lift it, you're smart enough to build it.



BEN & ANDREW'S

## Top Sydney Kayak Spots



### 01— ROZELLE BAY TO DARLING HARBOUR

- Launch at Bicentennial Park, Glebe
- Get a unique view of Barangaroo
- Paddle under the Anzac Bridge
- Get up close with the Tall Ships and the Submarine at the Maritime Museum

### 02— IRON COVE TO COCKATOO ISLAND

- Launch near Iron Cove Bridge or Leichhardt Park
- Paddle by Schnapper and Spectacle Islands
- Circumnavigate Cockatoo to see plenty of boat building history

### 03— ROSE BAY TO WATSONS BAY

- Hug this exquisite coastline
- Enjoy coffee and a swim at Nielsen Park
- Get nosy on some serious water frontage properties

### 04— ROSE BAY TO CHOWDER BAY

- Time your crossing to avoid the ferries
- Check out Taronga Zoo
- Paddle up until you're opposite the Heads
- Get a coffee and a snack at Chowder Bay

According to Andrew Simpson, O Six Hundred is that time in the morning when you can challenge the day before it challenges you. So when the industrial designer and his business partner Ben Cooper, Innovation Lead at M&C Saatchi, created a flat pack kayak designed to get as many people out on the water in the easiest way possible, it seemed like the perfect name. "Working long hours can grind you down", Ben says, "you need to do the things that slow time down and make life worthwhile, and kayaking is one of those things. Getting out on the water and sitting back from the city changes your perspective."

To encourage more people to "get lost on the water for an hour, for a morning, for the afternoon", the Sydney pair needed to overcome the biggest barrier to people actually using kayaks. "Standard plastic molded kayaks are good for durability", Andrew explains, "but they can weigh up to 35kg so they're difficult to lift alone. Even top-end kayaks can't achieve weights of less than 12kg." O Six Hundred combines a 4,000-year-old Inuit timber frame design with futuristic materials to create a boat that is light enough to lift with one hand. "By making one of the lightest kayaks out there, we want to eliminate all the barriers to people actually getting out and going for a kayak. Plus it's very hard to love a piece of plastic."

O Six Hundred uses a skin-on-frame technique and comes in a kit of 30 pieces that you assemble yourself. The timber frame consists of precision cut

9mm-thick marine plywood ribs and cedar spines, which snap together perfectly to form the internal structure. A translucent carbon skin laces up over the bow and brings the whole system into tension, making it more rigid. "The skin is a Kevlar, Mylar and Dacron sandwich", Andrew explains, "Kevlar is a strong carbon weave fabric often used in modern sailmaking and bulletproof vests, which gives the skin lateral stability and stops it from stretching, Mylar is a waterproof film, and Dacron is hardwearing and provides tear-resistance." The assembled boat is a standout example of elegant craftsmanship and absolute attention to detail that any sports enthusiast or design aficionado would covet.

Kayak means 'man's boat' or 'hunter's boat' and native kayakers were a personal craft, each built by the man who used it. By reimagining this ancient design in flat pack form, Ben and Andrew want to restore the sense of pride and satisfaction that comes from the craft of building something with your own hands. "It's a skill set that has gone from the modern city dwelling audience", Andrew says, "If you build something yourself, put your skill and effort into it, it becomes an object of value. To build a vessel, go to the water and trust in your own hand - there's nothing more rewarding, it's exhilarating."

Strong, light and watertight, the kayak is best described as a "recreational-tourer", perfect for lakes and harbour paddling, with a flat(ish) bottom hull, meaning it's very stable so a good choice

for paddlers who don't want the challenge of staying upright. The "built by you" kit can be assembled in just two hours, and weighing less than a toddler, everyone from enthusiastic beginners to urban escapists can build a kayak and get it to the water.

As keen watermen - Andrew is the founder of The Balmain Boat Company and Ben kayaked round South America - the project started with a passion for the water and it's still what drives the business. "We didn't do loads of market research", says Ben, "we just said it's really hard to get a boat down to the water, maybe we could make it easier." And they were right. The O Six Hundred won a 2015 Good Design Award alongside innovation giants such as Tesla and Dyson, and will become part of the permanent collection at Sydney's Powerhouse Museum later in the year. "Generally, if you find a good problem and solve it in a human-centric way", says Andrew, "that's innovation."

osixhundred.com

## WIN

To celebrate local craft and innovation, Chifley is exhibiting the O Six Hundred kayak (RRP \$2,000 + GST) in the lobby. For your chance to win a kayak, simply enter online at [chifley.com.au](http://chifley.com.au) or visit Chifley Concierge.



- ← Far left; O Six Hundred co-founders Andrew Simpson and Ben Cooper.
- ↑ Industrial designer Andrew Simpson on the water.
- ← The timber frame construction slots together like a model aeroplane.
- ↓ The frame is covered in a lightweight translucent carbon fabric that laces up over the bow.





## Wealth Begins with Better Knowledge

Michael Kodari, founder of KOSEC – Kodari Securities, tells Ben&Co. how innovative thinking helped build the unique investment strategy responsible for the company’s success.

How did you come to start an investment company?

At the age of ten, I started reading almost every book on investing I could find. I believe the more knowledge you have, the more opportunities you can see. I started working in the industry at the age of 20, and worked at Clime Asset Management in Australia eight years ago before setting up KOSEC in 2010. I'd been successful investing for myself and wanted to use my strategy to generate wealth for clients and create an environment where bright, smart people can succeed.

Tell us a bit about KOSEC – Kodari Securities.

KOSEC is a full service wealth management firm, specialising in the Australian equities market. Our aim is to find the best investment opportunities on the Australian Stock Exchange for our clients. We pride ourselves on our integrity, performance, consistency and innovation. I believe you need to be transparent about what your intentions are in order to do the best by your clients and the people that work for you.

What role does innovation play in your investment strategy and therefore the success of KOSEC's clients?

Innovation means doing things differently to get a better result and it's inherent in any successful business. I spent five years creating a unique filtering system that aims to pinpoint undervalued businesses within growth sectors of the economy. A lot of fund managers look at companies in the top 50 or top 20, but for us it's about picking the company that's going to go to the top 100.

For example, we recommended investing in TPG Telecom and it's now the second largest telecommunications provider in Australia behind Telstra.

This strategy is the reason we've got our stock predictions right three years in a row, which is something that nobody else can claim. So it's about thinking outside the box – when the market's tough, it's innovative thinking that helps you succeed.

What's your view on the slowing growth of China and the repercussion it will have on the Australian economy? How can Australia counteract this?

We monitor China closely and there's no doubt that its slowing has had an adverse impact on Australia's economy, mainly through mining. However, what a lot of people gloss over is the fact that China is still operating in a very tight monetary environment by global standards. They have 4.85% interest rates, which shows the Chinese Central Bank still has plenty of ammo to help stimulate the economy should it deteriorate further.

Australia needs to continue to rebalance away from a mining-led economy towards a services based economy and we're seeing proof that the transition is underway. Property construction is booming but equally we're seeing signs the rebalancing is starting to shift beyond housing. Jobs in the service industries such as healthcare and telecommunications are filling the void created by the job losses in mining and manufacturing.

What do you think is the 'next big thing' in the financial market?

The obvious thing is the growing superannuation industry. Aside from that, we're hearing a lot about a 'new normal' in financial markets, where investors are going to have to get used to lower rates of returns on their investments. For retirees, this means having less income to sustain themselves throughout retirement, which is a bitter pill to swallow. Organisations that can provide solid returns in a low growth environment will be the next big thing in the financial markets.

Why did you relocate to Chifley?

We thought where's the most prestigious place we can go in Sydney that's close to everything? Chifley is the epicentre of Australia's financial district and when we saw the space it felt like the right place for us to grow.

What outside of your field inspires you most and why?

I'm inspired by the great entrepreneurs of history. I like entrepreneurial ideas and I'm always driven by how those ideas can shift the status quo and add value to society. When I meet people with true passion at events such as Innovation Bay, it excites and recharges me. I like to back people like that.

KOSEC – Kodari Securities  
Level 9, Chifley

2010  
Founded in  
Australia

40%  
Female  
employees

6  
Different  
nationalities

24  
Age of youngest  
employee

## The Science Behind the Threads

Chifley's denim coffee cups have been raising funds for the Children's Medical Research Institute. Ben&Co. meets CMRI Director, Professor Roger Reddel, to find out how the Institute enables major advances in children's health.

As Australia's first pediatric research organisation, the CMRI has developed childhood vaccines, increased the survival rate of premature babies and pioneered microsurgical techniques – all things that are now a routine part of pediatric healthcare. "Over the last 30 years, we have focused on understanding the molecular workings of human cells to solve the big problems," says Reddel.

Professor Reddel trained as a medical oncologist before turning his attention from patients to test tubes after studying extensively in Australia and the U.S. (he undertook a PhD on the cell biology of breast cancer and a post-doctoral fellowship at the U.S. National Cancer Institute). He has dedicated his 27-year career at CMRI to understanding cancer at a molecular level – in particular the ability of cancer cells to divide an unlimited number of times, also known as cellular immortalisation – to come up with better treatments.

As Director, Reddel steers the CMRI ship, which focuses on four key areas of research: cancer, embryonic development and birth defects, neuroscience and gene therapy. "Barring accidents, inherited diseases are the leading cause of death in children aged between zero and four, and cancer is the leading cause of death in children aged between four and 14 years. By focusing on specific diseases, we are developing new treatment technologies, which we expect will apply to many more."

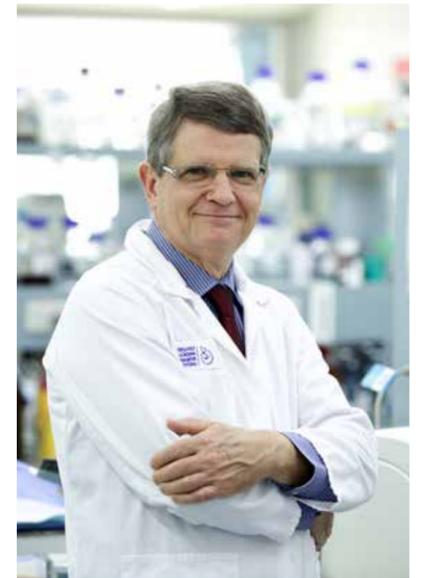
Over the last 30 years, the CMRI has made significant advances in children's health including: the discovery of the single gene that can cause a cleft lip and palate; the discovery of an inherited gene defect, which causes a high risk of cancer; and developing the technology to deliver a normal gene into the liver cells to treat inherited liver disease.

Reddel and his team are internationally recognised for research on the enzyme telomerase and discovering ALT (Alternative Lengthening of Telomeres), which together contribute to unlimited growth in more than 95% of all cancers. This research aims to help develop anti-cancer treatments that would work by blocking immortalisation, and tests for the early detection of cancer.

"Helping these children requires seriously innovative thinking and research", says Reddel, "and one of the ways we do this is by systematically building a culture of innovation into everything we do."

The CMRI fosters innovation in ways that most people would find surprising, firstly by encouraging its highly performing researchers to leave. "Most CEOs I speak to find this practice quite counterintuitive", says Reddel, "but by sending our best and brightest minds to other international organisations to further their development as biomedical scientists, we actually benefit." For every researcher sent out, there is another researcher trained at a leading research organisation elsewhere in the world, which creates teams of people with different perspectives and new skill sets "Who knows what will trigger the next big idea?"

It was this diversity at board level that sparked the Jeans for Genes initiative in 1994. Set with the challenge of how to fund the growing research programs, a voluntary board member who owned an advertising agency got his staff and a group of CMRI scientists together for a brainstorming session. "The concept took off instantly", explains Reddel, "I think it's simple to grasp and people understand the importance of research on genes for health and childhood diseases." 21 years later, do CMRI staff still don their jeans



on the day? "Oh yes. In fact most of us are out collecting donations on railway stations and at other locations across the city. Our scientists and staff are often the models for the Jeans for Genes advertisements. The whole organisation gets behind it."

cmri.org.au

Thank you to everyone for taking part in Jeans for Genes week at Chifley. Your donations will give children the chance to live a long and happy life.

## Chifley Q&A

If you could invest \$1million in an innovative company, who would it be and why?

Anna Chavez  
Servcorp



The Social Outfit is well worthy of investment. It provides education, training and employment in the fashion industry to refugee and new migrant communities.

Jessica McEwen  
Morgan Stanley



Planet Innovation. Demand on the biomedical industry will grow as the population ages, doing so in a commercially viable way will continue to be important.

David Belcher  
Hays



I'd invest in Netflix. It has grown massively in the last 5 years and sales have increased by 24% in the last 12 months... and I like movies.

Greg Joubert  
Investec



I'd invest in a company that delivers downtime in a leisure space. Innovation and technology need to compliment our lives, not make them more complicated.



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