

2016 Federal Election: The Property Council of Australia

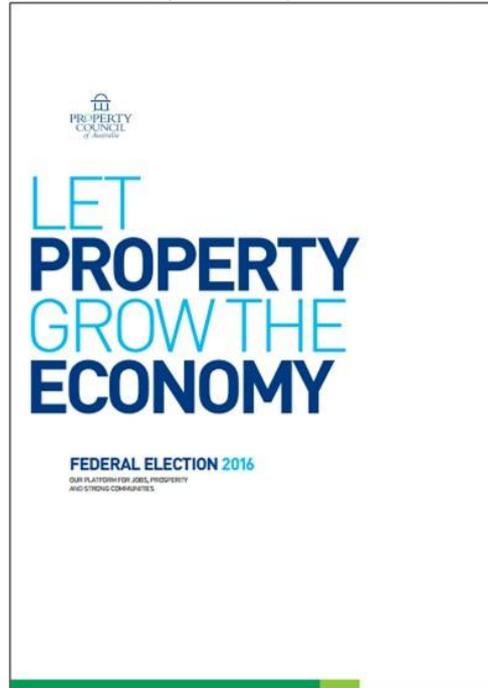
The Property Council of Australia released their Federal Election 2016 Platform document this month. Their objective is to address taxation and regulatory issues pertinent to our nation's biggest industry. The Council talks about boosting investment to build an even more competitive industry, creating prosperity, jobs and a strong community.

The platform, in short, is centred around 6 primary concerns. First, Growth: they support retaining negative gearing and current CGT arrangements but would like to participate in discussions with the major parties around tax reform within the industry like replacing stamp duty with a more efficient revenue source.

They state that a compelling vision for our cities is needed. They recommend a 'City Deals' model similar to that in the UK. The City Deals concept is a performance-based approach to economic growth and infrastructure investment which invests in a city's plan for growth.

The City Deal is a contract between levels of government that sets targets for the economic performance of a

region using measures of Gross Value Added (a local GDP), employment and productivity growth. Regions are fiscally



rewarded for exceeding their growth budget. "City Deals enables the

Commonwealth to leverage its \$50 billion infrastructure investments to deliver strong city outcomes".

Housing Affordability needs to be boosted, again using an incentives model within states and territories to reform planning systems and the reduction of Red Tape. The popular topic of Energy Efficiency should be addressed with stronger minimum standards and Global Capital should be encouraged. Developing and maintaining a robust and globally competitive tax regime for managed investment trusts (MITs) is essential to attracting global capital in their eyes.

These MITs enable investors to invest in large-scale real estate assets they could not own directly, diversify their investment portfolio to reduce the risk from market downturns, and benefit from the market experience and insights of professional asset managers.

The Property Council also advocates restoring the Australian Building and Construction Council (ABCC) to create a competitive industry. The full document can be viewed on their website at www.propertycouncil.com.au.

The Money Pit

ACIF Forecasts Overview

Australian Construction Industry Forum (ACIF) released in May their latest forecasts, and they look positive overall. "The building and construction industry is playing a key role in the transition of our economy away from resources towards a more diversified economy."

There have been substantial peaks and troughs over the past 10 years in the level of construction yet the prognosis for the next 10 is one of consistency allowing for better economic forecasts.

Despite the passing of booms in two major construction sectors - mining and residential, the ACIF identifies areas of construction activity that will assist our economy in transition to one which is infrastructure based. There is a shift toward innovation, creativity and the provision of key services; non-residential building work is growing especially in the areas of Health and Aged Care,

Accommodation and Retail/Wholesale Trade.

Many of the largest new infrastructure projects are in areas that will enhance the delivery of key services and improve the mobility and liveability in Australia's cities, thus enhancing their role as major drivers of economic growth.

These trends are projected to turn around the modest contraction forecast in non-residential building activity for this year into a small uptick next year and more fulsome growth - close to 3% per annum - by 2017-18.

Adrian Harrington, Chair of ACIF's Construction Forecasting Council, states, "The building and construction sector contributes around 8% to GDP. With technology continuing to emerge at an unprecedented scale, our population growing and aging, and the economy

transitioning from the biggest resources



boom in over a century, it is more important now than ever before that the industry has a relevant and credible 'compass' for the next ten years. These forecasts outline the upcoming demand for work across the three key sectors - residential and non-residential building plus engineering construction."



Signature message

- by Dean Gavrilovic

The federal election campaign is in full swing, pre-polling booths are now open, and while it is pertinent for all in our fast-paced industry to stay abreast of policies and potential changes we are by no means closed for business until the dust settles afterwards. Our focus is, and will always

be, on continued hard work to provide the best-in-industry service to our clients. The diversity and calibre of our projects speak for themselves. This newsletter focuses on views and desired outcomes from property industry spokespeople and Signature PM will make sure we can provide you with up to date advice on any changes in the

future. Our consultation process on all new projects incorporates providing sound advice on desired outcomes within the current framework of legislative and industry standards. Together we can make our industry even more vital to our economy.

BIM Becoming a Necessity

Building Information Modelling (BIM) has been a growing trend for years. BIM is based on the idea that a building should be constructed twice: virtually first, physically second. This requires a systematic process that enables the capture, recording, exchange and application of building and construction data using detailed 3D modelling.

Experts have said BIM provides tangible business benefits, no matter the level of implementation. Many have cited BIM's ability to provide more consistent, more accurate and less time-consuming project document generation. In addition, BIM users can expect better collaboration and coordination among the different parties involved in a project, according to industry users.



Some say it is now a necessity, irrespective of the size of a project, and as owner interest in BIM grows, many are now requiring their contractors to utilise the technology. Owners are realising that there's data that they can capture and capitalise on. As far back as 2012, the National Building Information Modelling Initiative (NBI) Report claimed the Australian economy could be \$7.6 billion better off over the

New Zealand in 2015, many projects in the rebuilding of Christchurch were being assembled in detail on computers using BIM well before workers set foot on sites. The New Zealand government started a BIM acceleration committee, as part of a productivity partnership with the goal of 20 per cent more efficiency in the construction industry by 2020.

For more information there is the NATSPEC BIM Portal at www.bim.natspec.org. The Australian Institute of Architects has a BIM website, www.wp.architecture.com.au/bim, which offers those involved in the building industry access to support material and links to a range of BIM related information.

next decade by adopting the NBI recommendations. In Australia, over half of the firms that focus on infrastructure projects reported over 25% ROI from implementing BIM. In

Latest News

Brisbane City Rate Increase

Lord Mayor Graham Quirk increased Brisbane's minimum annual rates bill by \$100 a year, which means unit owners could face a rates increase of up to 18.6 per cent.

Ratepayers throughout the City will be hit with an average rates increase of 4.7 per cent, with minimum annual rates being increased from \$535.88 to

\$635.88.

Experts say the rate increase shouldn't affect the unit market in Brisbane, but it's still not great news, noting unit vacancy rates in Brisbane continue to rise. Some are asking why increase rates more for one dwelling style than another, particularly when the sheer volume of units is increasing, and

therefore there are more units to collect rates from.

Cr Quirk defended the rate increase, saying it was needed to fund a \$1.5 billion Metro subway system because "no one else is going to do it" and other infrastructure projects.

Thought of the month ...

"A goal without a plan is just a wish." Unknown



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