

# COLLABORATE newsletter

JULY 2016

## Green Initiatives

We have written a lot on 'Going Green'. It is a popular topic now within the building and construction industry and this interest will only increase as more people embrace the concept, understand its advantages and ultimately become obligated to act in accordance with changing legislation. Green building projects can be about more than just sustainability but can make good economic sense too. Good for the community equals good for business. The World Green Building Council found that at present a minimal 2% upfront cost to support green design can result in an average lifecycle saving of 20% of total construction costs. It can also offer a ROI benefit in terms of sale prices and capital growth.

Going green can deliver a defining edge in a crowded market. It can increase the marketability of a building project AND the organisation(s)

involved. Given the amount of time the



majority of us spend indoors, environmental considerations at home and work are pivotal to a happier, healthier lifestyle.

Central Gippsland Institute of TAFE in Victoria was the first TAFE to receive a 5 Star Green Star - Education Design v1 rating. Ventilation rates in the building at Leongatha have been improved to boost concentration, health and comfort for staff and students. GippsTAFE's Chief Executive Officer, Dr Peter Whitley says the focus on IEQ is already paying off. "Our staff and students are finding it a wonderful place

to work and learn. It's proof that achieving our sustainability targets has also improved learning conditions."

Success and initiative can get broad publicity and define the stakeholders as leaders in this area and as ones with a modern and ethical approach. This is particularly appealing to councils, governments and community organisations. What is perceived as good for the environment is good for customers and ultimately good for business.

Worthy of consideration are the grants offered across the property sector by the Clean Energy Finance Corp ([cleanenergyfinancecorp.com.au](http://cleanenergyfinancecorp.com.au)).

In NSW alone, they have provided financial assistance for projects including a new wind farm near Taralga, an environmental upgrade of existing commercial buildings in Parramatta, Surry Hills and Wagga Wagga, a council street lighting upgrade and lighting upgrades to 3 hospital carparks and a community sports stadium.

## The Money Pit

### Warning on Credit Rating

In a step that prepares the ground for a formal downgrade of the nation's AAA credit rating, a determinant of lending costs for State and Federal governments and the finance sector, Standard & Poor revised its Australian Government outlook to negative.

Ending a frustrating delay over the election result, Mr Turnbull secured his win with the support of Queensland Independent Bob Katter. Mr Katter agreed to back the Coalition on budget supply and motions of no confidence.

Mr Katter announced his support for Mr Turnbull while also arguing for billions of dollars in federal cash for vast Queensland projects including the Hell's Gate dam on the Burdekin River, thus highlighting the future pressure on the Coalition to meet the funding demands.

The Queensland independent declared that his support was limited to supply and confidence and could be withdrawn at any time. It is believed he

would vote against any move to restore the Australian Building and Construction Commission claiming it would encourage "union-bashing" policies.

The ratings agency directed its warning at the entire Parliament saying it applied to both major parties as well as crossbench MPs who could decide the fate of future budget savings. "There is a one-in-three chance that we could lower the rating within the next two years if we believe that Parliament is unlikely to legislate

savings or revenue measures," S&P's said.





# Signature message

- by Dean Gavrilovic

New government, new financial year and new possibilities.

Infrastructure was high on the election agenda with PM Turnbull acknowledging investment in infrastructure as imperative to economic growth and financial stability. Ours is one of the fastest growing industries and this growth shows no signs of stopping any time soon.

For developers, elections usually mean commitments to large projects and new opportunities emerge or get the "Green Light" to proceed.

Sydney is a hub of development and particularly Western Sydney has been identified, at a state and national level, as having numerous high priority infrastructure needs. Most people will at least be aware of the Western Sydney

Airport at Badgerys Creek and WestConnex projects.

There are many more developments including infrastructure improvements, across the transport, health, education and community space sectors.

Signature PM's involvement in the new Sydney Zoo is one example. We anticipate being involved in many more and will keep you updated on exciting developments as they arise.

## Building Material Trends & Growth: Aluminium

APAC is the fastest-growing region in the aluminium market for the building and construction sector and China is the largest market for aluminium in APAC, as it attracts maximum investments in the construction industry, particularly the infrastructure and non-residential sectors.

Market research company Technavio's latest report on the global aluminium market for building and construction, highlights three key trends predicted to impact market through to 2020: 1. Rise in demand for nano self-cleaning aluminium composite panels. 2. Rise in use of aluminium in BIPV systems and 3. Aluminium extrusions offering lead time and cost advantage.

Aluminium projects qualify for green building status as the aluminium composite panels are easily recyclable and do not lose any of their properties



during the recycling process. They are gaining market share due to their slim structure, durability and negligible maintenance cost. These products have design flexibility, fast installation, easy fabrication and superior performance.

The market is witnessing a huge surge in demand for nano self-cleaning aluminium composite panels, which are not only resistant to varied weather conditions but also repellent to airborne pollutants. Nano coated aluminium composites help to retain gloss and colour for a long time as they are resistant to UV radiation. Nano

aluminium also helps in minimizing the overall maintenance costs and has a long lifespan.

Technavio segment their analysis of the aluminium market for building and construction into extrusion, flat-rolled products, casting and powder, paste and flake. The extrusion segment dominates in the aluminium market. Aluminium extruded products are used in the manufacturing of windows and doors, sun shades and light shelves, photovoltaic panel framing and skylights, standard profiles, curtain walls, sliding and hinged and fire rated doors. Aluminium extrusions are beneficial over other materials in terms of lead time and cost. Apparently, the extrusion dies are five times less in cost to die casting products, injection moulding dies and rolled products.

## Latest News

### NBN Construction Deal

Lend Lease and Downer are among six companies awarded construction contracts by the company building the national broadband network for the upgrade of the cable television and internet assets that Telstra sold to the Government's NBN in 2014. Broadspectrum, Fulton Hogan, ISGM and BSA are the other companies who

will carry out the works on the hybrid fibre-coaxial (HFC) network from August 2016 until completion in 2020.

The contracts will be worth around \$300 million in its first year. The remaining years will be variable depending on a range of targets, but the total amount is expected to be more

than \$1 billion over the period of the contracts to 2020.

Telstra, which was awarded a \$1.6 billion design contract for the HFC rollout in April, will oversee the construction works undertaken by the six companies across areas of Sydney, Melbourne, Brisbane, Gold Coast Perth and Adelaide. (via AFR).

### Thought of the month ...

"Never skimp on that extra effort, that additional few minutes, that soft word of praise or thanks, that delivery of the very best that you can do." Og Mandino



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