REIANEWS

ISSUE 63: DECEMBER 2016

MERRY CHRISTMAS AND A HAPPY NEW YEAR FROM ALL AT THE REAL ESTATE INSTITUTE OF AUSTRALIA.

REIA NEWS WILL BE BACK IN FEBRUARY 2017.

ALSO IN THIS ISSUE

Mr Malcolm Gunning
REIA President

PRESIDENT'S REPORT

WELCOME
FROM REIA'S NEW PRESIDENT

Welcome to the last edition of REIA News for 2016.

As the incoming President of the REIA I would like to take the opportunity to introduce myself and outline my priorities for the coming year.

I have been in real estate for the past 40 years covering all facets of real estate agency practice, property development and property valuation. I am the principal of Gunning Real Estate, a property agency and consultancy with offices in Hurstville and Surry Hills whose business focus is sales and leasing in commercial, industrial, retail, residential and development real estate. I am also the Immediate Past President of the Real Estate Institute of New South Wales (REINSW).

Next year will be an important one for the sector with the public debate on taxation of housing and affordability continuing. I will be a strong advocate for a property taxation that acknowledges the realities of the importance of the property sector to the economy. This requires recognition that this is not simply a debate about that the retention of negative gearing – its abolition is not the panacea for housing affordability that many seem to think it is. The debate on taxation must be broader and include stamp duty, land tax and value capture.

It is unfortunate that with large increases in house prices in Australia's two largest capital cities, there have been many claims that the current tax treatment of negative gearing and capital gains of residential property is exacerbating housing affordability issues. This is simply not the case. It is supply that is the critical factor in resolving the affordability problem.

Australia needs a comprehensive housing policy and leadership to ensure that the housing sector continues to drive economic growth. We need to: coordinate federal, state and local government housing programs; facilitate policy reform; ensuring affordable housing for our growing population; addressing the housing needs of our changing demographics, and; the declining proportion of first home buyers. Having a Minister for Property at the Federal level should be an integral element.

I am also resolved to ensure that professional standards are improved and consumers are protected when they make the biggest and often the most important purchase of their lifetime. Improving the professionalism of the sector requires a multifaceted approach encompassing higher levels of qualifications, CPD, standard of training including ASQA's role, accreditation, harmonisation, and working towards membership of the Professional Standards Authority.

I have convened a strategic planning meeting in Melbourne with the State Institute Presidents and CEOs to map out a comprehensive business plan for REIA, ensuring improved relevance, co-ordinate political action, and continuation of the harmonisation of services. I look forward to reporting on the road map ahead for REIA early in 2017.

This month's REIA News has two articles on initiatives taken by the REIA. One is to offer a training course through the Institute of Public Accountants (IPA) and their service provider, Mentor Education, for agents to gain a nationally recognised competency to provide what ASIC terms factual advice on financial products and services. The other is the Government's response to allow foreign buyers to purchase an off-the-plan dwelling when another foreign buyer has failed to reach settlement on it.

From the REIA we wish all readers and their families a safe and happy festive season.

Mr Malcolm Gunning
REIA PRESIDENT

Follow us on Twitter @REIANational

This article is brought to you by REIA Chief Executive Officer Jock Kreitals
Jock can be contacted at jock.kreitals@reia.com.au

COURSE FOR AGENTS PROVIDING FINANCIAL ADVICE

In February of this year I wrote that the REIA was having discussions with a national accounting body regarding the provision of a financial advice course. This was prompted by ASIC writing to REIA following a Supreme Court of NSW decision against Park Trent Properties Group Pty Ltd regarding advice real estate agents give particularly as it relates to SMSFs.

In response REIA is, together with the Institute of Public Accountants (IPA) and their service provider, Mentor Education, launching a tailored training course that can meet the requirements of ASIC for agents to provide advice regarding property as an investment particularly regarding SMSFs.

IPA have designed the RG146 Advice in Real Estate Course which will allow property investment advisers, mortgage brokers, accountants, real estate agents and property developers to discuss the general drivers and considerations associated with a property investment decision. Upon completion of the course, agents will have satisfactorily fulfilled ASIC's RG146 requirements and will be able to offer general advice on financial products and services. This will also allow them to provide factual advice on what the products are and what they do.

Agents undertaking the course will gain a nationally recognised competency to provide factual advice on financial products and services.

Factual advice is defined by ASIC as "objectively ascertainable information whose truth or accuracy cannot be reasonably questioned". This compares to general advice which ASIC defines as "advice prepared without taking into account the client's objectives, financial situations or needs". In addition there is personal advice which is defined as "given or directed to a client in circumstances where the provider of the advice has considered one or more of the client's objectives, financial situation and needs" which requires a full Australian Financial Services (AFS) licence.

ASIC have indicated that successful completion of the RG 146 course would allow agents to conduct seminars, presentations, office and sales meetings, in addition to other real estate focused engagements and discuss in general terms topics associated with the following: general insurance; life insurance; retirement planning; superannuation; Self Managed Superannuation Funds (SMSFs); managed property investments, and; securities. However, an agent would need to need to be authorised by an AFS licensee to provide this advice or alternatively obtain an AFS licence themselves.

An outline of the course together with enrolment details can be found at http://www.publicaccountants.org.au/reia

The cost of the course is $990 on line and $1590 for a two day workshop. Members of REI's that are members of the REIA will receive a 10% discount.

This article is brought to you by REIA Chief Executive Officer Jock Kreitals
Jock can be contacted at jock.kreitals@reia.com.au

GOVERNMENT DECISION TO CHANGE FIRB RULES FOR NEW APARTMENTS

Under the pre existing FIRB rules, an off-the-plan apartment that has been sold to a foreigner under a non-conditional contract and fails to settle is deemed to no longer be a new dwelling. This prevented other foreign buyers from buying those apartments under the same rules as apply to new apartments even though the apartment is clearly new.

Following newspaper reports in mid October that this anomaly may destabilise the apartment market REIA spoke to the ATO, the Treasurer's office and Treasury on the matter. Treasury subsequently examined ways to rectify this and the Treasurer was briefed on possible solutions.

In late November the Treasurer announced changes under the foreign investment framework to allow foreign buyers to purchase an off-the-plan dwelling when another foreign buyer has failed to reach settlement on it. The changes applied immediately with changes to regulations made to enable developers to acquire New Dwelling Exemption Certificates for foreign buyers of these recycled off-the-plan homes. Under the changes there will be no GST implications.

At the time REIA welcomed the news and commended the Government on the promptness with which it responded to industry approaches on this matter as it will minimise the negative impact of off-the-plan sales to foreign purchasers not being completed.

By eliminating an element of risk, this change will encourage developers to continue to add to the supply of housing which is much needed and is the intent of the FIRB arrangements.

BRIDGING FINANCE VERSUS SELL-RENT-BUY

This article is brought to you by

AdelaideBank
it's personal

Some buyers believe that bridging finance is too expensive. So when their current home no longer meets their needs, they sell and rent until their ideal home comes up. But how do the costs of bridging finance compare with those of the sell-rent-buy route? We've put together a hypothetical scenario to find out.

The Carters are a family of four who currently live in Thomastown, Victoria. They want to upgrade to a better home with more land in the suburb they've grown to love.

The Carter's existing Thomastown home is worth $450 000 and they have $200 000 mortgage against it. Their new Thomastown home is $650 000 and they'll pay a $50 000 deposit to secure it.

Here's a comparison of the costs the Carters would be up for:

- If they took the bridging option and bought their new home straight away.
- If they sold, move into a rental and bought later.

While the scenario above suggests that there can be a price advantage to the sell-rent-buy route, there are other factors homeowners need to consider before making a decision.

Bridging vs Sell-Rent-Buy

	Bridging	Sell-Rent-Buy
Removal costs		
Pack up service	1500 (1 move)	3000 (2 moves)
Removal truck	1200 (1 move)	2400 (2 moves)
Rental costs		
Rent $360/week for 6 months (26.07 weeks)	0	9385
Utilities setup	0	50
Property cleanup	0	300
Rental break costs		
2 months (8.69 weeks) rent @ $360/week	0	3128
Readvertising to rent	0	300
Re-letting fee	0	250
Bridging loan costs		
6 months interest Interest based on SmartFit variable rate of 3.99% on peak debt of $849,441.	16941	0
Interest		
Earned on proceeds from sale of home (Sale of house $450K less $200K owing on first home, less $50,000 deposit for new home is $200k @ 2.74% for 6 months)	0	–2756
TOTAL COSTS	**$19,641***	**$16,057**

*As the Carter's Loan to Value Ratio is under 80%, no Lenders Mortgage Insurance applies. If their LVR was say, 82%, (i.e. they had a $270,000 mortgage on their existing home) the LMI cost would be $8005. This would bring their total bridging expense to $27,646. (S56134) (10/12)

How long will they need to rent?

While a homeowner may find their dream home quickly, there's also the possibility that they won't. This can bring problems of its own.

Late last year Nicole and Tim found two homes that fit the bill as ideal places to bring up their tribe. Preferring to know exactly what funds they'd have to spend, they made the decision to sell and rent until the right house came up.

» *article continues*

BRIDGING FINANCE VERSUS SELL-RENT-BUY

» *continued*

It's now 10 months into their 12 month lease and their dream home is yet to materialise.

"We haven't seen anything that comes close to the places that made us want to sell up in the first place," said Nicole. "We've tried to negotiate more time on our lease, but our landlords are moving back from Singapore and need to move back in. So a longer lease is not an option."

With time ticking away and nothing that suits them on the market, Nicole and Tim are faced with the very real prospect of having to move into another rental. And continue to wait for the market to deliver.

Will they settle for less to own their own home again?

Waiting for the right house to come along is kind of like waiting for the pot to boil. It seems to take much longer when you're focussed on it. Especially if the end of a lease is looming.

This is when the very real danger of settling for less can rear its head.

"With 4 kids, moving is never easy," admitted Nicole. "I could handle it if we were about to move into our own home, but the thought of moving into another rental really does my head in. I'm getting desperate to find our next home … a desperate buyer is something I never wanted to be."

Can they handle the stress of moving – twice?

A recent survey of Bendigo and Adelaide Bank customers found that 53% of respondents found moving house stressful or extremely stressful. The primary reason for stress was, unsurprisingly, the physical move.

Unplanned costs, arranging time off work and finding new local suppliers caused its fair share of headaches too. Settling in pets was also highlighted as a top stressor.

"The dog was easy, but moving the cat was the worst," recalls recent mover, Louise. "She had to stay inside for a week and then we spent the next week taking her out on a lead. The first few times she went out by herself I was pretty stressed. Turns out the money we spent on microchipping her as a kitten ended up being well worth it. And we're now very good at 'Lost Cat' signs."

Moving once is hard enough. Why would someone go through it again if they didn't have to?

Is bridging finance a realistic option?

For those who don't qualify for a bridging loan, renting or staying with friends or family until a suitable home pops up may be their only alternative.

But just because a borrower doesn't qualify for a bridging loan with one lender, doesn't mean they won't be eligible with another. You see some lenders interpret serviceability based on peak debt ($849,441 in the Carter's case) which can make it difficult to qualify for bridging. However there are other lenders who base serviceability on the end debt ($421,941 in the Carter's case). This makes bridging a much more realistic option.

"Provided you shop around to find the best loan product, and structure it accordingly, bridging finance can be a great way to snap up the home you want, before someone else does," said Fons Caminiti, National Manager Broker Sales & Distribution at Adelaide Bank.

Best of all bridging finance lets you hang your pictures wherever you like, from the moment you move in.

Credit provided by Bendigo and Adelaide Bank Limited ABN 11 068 049 178 Australian Credit Licence 237879. Terms, conditions, fees and charges apply. All information is correct as at 6 October 2016 and is subject to change. Full details available on application. Lending criteria apply. The above is general information only. Please consider your own personal circumstances before making any decision.

NATIONAL MARKET SNAPSHOT

EXTRACTED FROM REAL ESTATE MARKET FACTS, SEPTEMBER QUARTER 2016

- *Quarterly Australian weighted average median house price is $712,776*
- *Quarterly Australian weighted average median other dwellings price is $558,565*

Median house prices up:

Sydney 3.1% to $1,076,878
Melbourne 3.2% to $740,000

Median house prices down:

Brisbane 1.2% to $494,000
Adelaide 2.2% to $440,000
Hobart 2.5% to $385,000
Perth 3.8% to $512,000
Darwin 4.5% to $550,000
Canberra 2.6% to $570,000

Median other dwelling prices up:

Sydney 2.3% to $697,533
Melbourne 2.1% to $545,500
Perth 3.7% to $425,000

Median other dwelling prices down:

Brisbane 1.3% to $395,000
Adelaide 3.6% to $335,400
Hobart 0.2% to $285,000
Darwin 8.0% to $460,000
Canberra 2.4% to $415,000

Vacancy Rates

Sydney 1.9%
Melbourne 2.5%
Brisbane 4.1%
Adelaide n/a
Perth 6.6%
Hobart 2.4%
Darwin 6.7%
Canberra 1.3%

NATIONAL AFFORDABILITY SNAPSHOT

EXTRACTED FROM ADELAIDE BANK/REIA HOUSING AFFORDABILITY REPORT, SEPTEMBER QUARTER 2016

	Sept 2016	Jun 2016	Sept 2015
Proportion of family income required to meet:			
Home loan repayments	29.5%	29.4%	31.7%
Rent payments	24.2%	24.8%	24.6%

NSW is the least affordable state or territory in which to buy or rent.

Of the total number of loans to first home buyers, 30.3% were from **Victoria**.

Queensland recorded the largest quarterly increase in the average loan size across Australia.

South Australia was the only state or territory to record a decline in rental affordability over the quarter.

Western Australia has the highest proportion of first home buyers on the owner-occupier market nationally.

Tasmania had the largest annual increase in the total number of new loans across the country.

The **Northern Territory** recorded the largest jump in the number of first home buyers.

The **ACT** remains the most affordable state or territory in which to buy a home or rent.

REIA FAREWELLS PRESIDENT AND REIA BOARD DIRECTOR

Neville Sanders (left) and Malcolm Gunning (right)

Neville Sanders (left) and Stan Platis (right)

The REIA Board, during their meeting on 8 December 2016, bid farewell to Neville Sanders, REIA President following his two year tenure.

Neville is a third-generation estate agent and has been actively involved in real estate for over 48 years. He became a Member of the Real Estate Institute of Victoria in 1971 and joined the REIV Board in 2006. Neville was appointed to the REIA Board in 2012 and was elected as REIA President in December 2014.

The incoming President, Malcolm Gunning and the REIA Board Directors paid tribute to Neville Sanders.

The REIA Board also paid tribute to Stan Platis, the REIA Board Director who also stood down from the REIA Board after 12 ½ years of service representing the Australian Capital Territory, the longest serving director on the REIA Board.

REIA BOARD OF DIRECTORS FOR 2017

Elected during the REIA Annual General Meeting on 8 December 2016, REIA Board Directors representing state and territory member Real Estate Institutes are:

Craig Bright
Real Estate Institute of the Australian Capital Territory

John Cunningham
Real Estate Institute of New South Wales

Diane Davis
Real Estate Institute of the Northern Territory

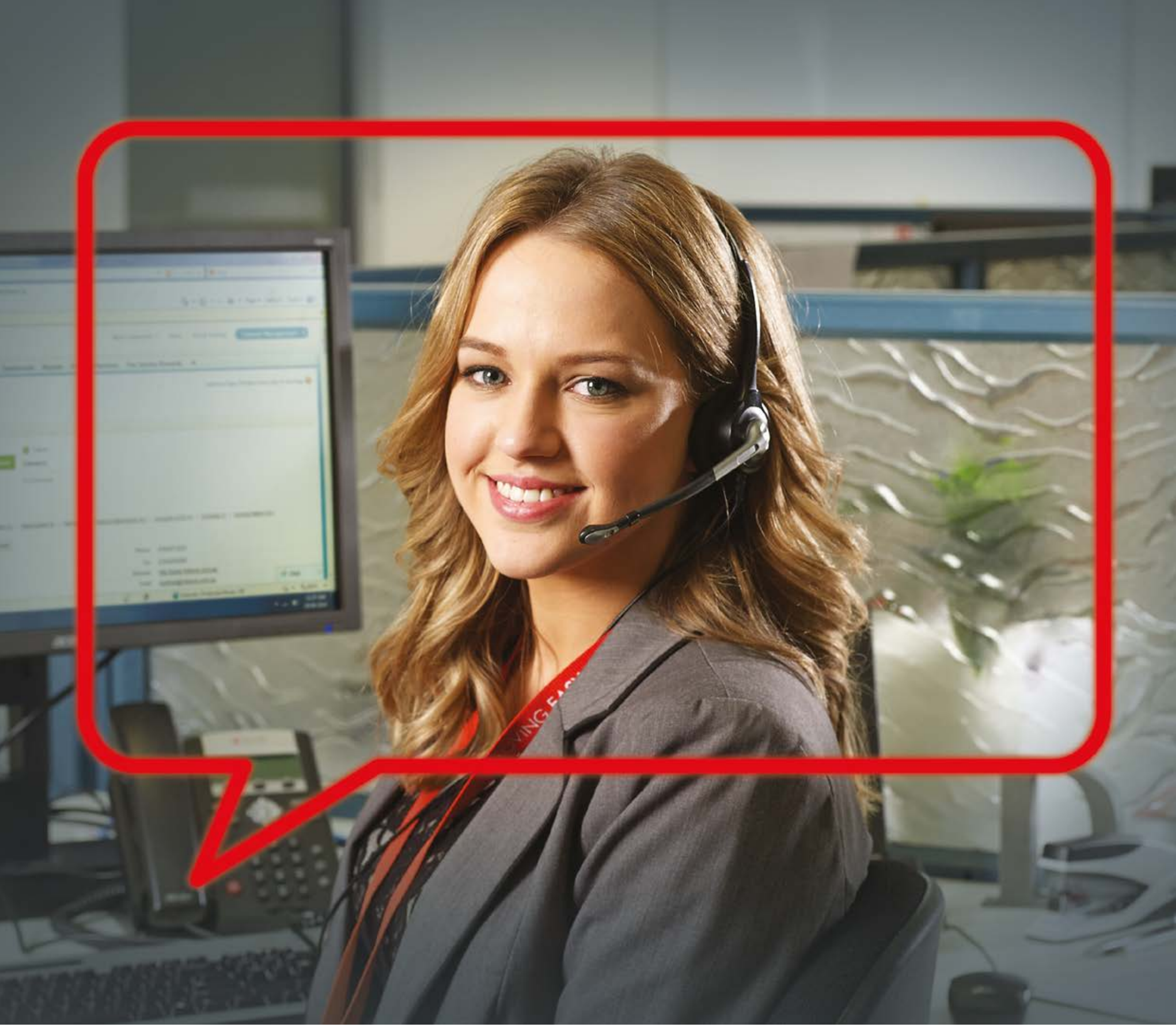
Greg Moulton
Real Estate Institute of South Australia

Adrian Kelly
Real Estate Institute of Tasmania

Joseph Walton
Real Estate Institute of Victoria

Hayden Groves
Real Estate Institute of Western Australia

Chris Mourd
Independent Director



Australian Government
Attorney-General's Department

ANTI-MONEY LAUNDERING CONSULTATIONS

In 2006, the *Anti-Money Laundering and Counter-Terrorism Financing Act* (AML/CTF Act) came into effect, establishing a regime designed to make the Australian financial system hostile to money laundering and terrorism financing (ML/TF) threats. The AML/CTF Act regulates financial institutions, businesses that provide gambling services, and bullion dealers and it was intention of government to extend the regime to other businesses and professions, including real estate agents, a few years after the AML/CTF Act was enacted. In Australia, like elsewhere in the world, real estate is an attractive avenue for illicit money. The availability of high-value properties, Australia's stable economy and the absence of AML/CTF regulation of the real estate sector offer ideal opportunities to launder large volumes of illicit funds. However due to a number of factors, including the 2008 global financial crisis, this second tranche of regulation was delayed.

In April 2016 the Commonwealth Attorney-General's Department completed a comprehensive review of Australia's AML/CTF regime. While the review identified a need to strengthen capabilities to mitigate money laundering and terrorism financing (ML/TF) risks within the real estate sector, it also found that there would be both benefits and costs to this regulation. Therefore a recommendation was made that AML/CTF regulation of real estate agents should be explored. The government is now implementing this recommendation by undertaking a costbenefit analysis. The first step in that process is to determine an appropriate model of regulation for the sector.

Australia's AML/CTF regime requires businesses to comply with a number of obligations when they provide specific services that pose ML/TF risks. These obligations are designed to mitigate these risks and include customer due diligence, reporting, record keeping, and compliance programs. The information regulated businesses collect and report about the movement of funds and assets forms the basis of valuable financial intelligence that enhances the ability of law enforcement agencies to detect, deter and prevent crime. Although the real estate sector is not currently subject to AML/CTF regulation, it is possible that a number of obligations under the AML/CTF Act, for example customer identification and record keeping, are already being carried out under other regulation. The government is therefore looking to engage with the real estate sector on AML regulation to explore where current regulatory obligations could be utilised for AML purposes and where new regulatory obligations may be needed.

The Attorney-General's Department has released a consultation paper for the real estate sector that initiates discussion on AML/CTF regulation of real estate professionals in Australia. Submissions from the real estate sector on the issues raised in this paper are encouraged. The feedback from submissions will be considered as part of designing the model for AML/CTF regulation of the real estate sector. This model will be subject to the cost-benefit analysis to allow the Government to assess the benefits of regulating real estate professionals relative to regulatory costs and therefore make an informed decision about any future regulation.

Submissions may be submitted electronically to: antimoneylaundering@ag.gov.au. The closing date for submissions is 31 January 2017.

This article is brought to you by Tony Collidge President of REIT

CHANGES TO THE PROPERTY ACT WILL SIMPLIFY TASMANIAN TRANSACTIONS

Improvements will be made to the way property transactions are conducted in Tasmania early next year.

Voluntary cooling-off periods, agent licensing and an end to "carry-over clauses" are among the coming changes.

The Property Agents and Land Transactions Bill recently passed its second reading through Parliament unscathed.

For 18 months the Real Estate Institute of Tasmania has been working on a review of the decade-old Property Agents and Land Transactions Act with the Property Agents Board and the Department of Consumer Affairs, plus a new property contract with the Law Society of Tasmania.

A big change to the Act will be abolishing carry-over clauses, where a vendor may get stuck paying a commission to two separate real estate agencies on the sale of a single property.

The new Act will also provide protections for agents so that a vendor cannot attempt to bypass paying their agent fees after using the agent to introduce buyers to a property, then withdrawing it from the market to sell it privately.

While most of the Act will stay the same, there will be changes such as a set time period for terminating contracts between homeowners and agents, because there is currently little consistently on this topic in the industry.

Being more than 10 years old, the current Act doesn't cater to social media or internet marketing, which has also been addressed.

The Act has a guarantee fund with a maximum figure of $3 million, which will be increased to $8 million. This fund is used to protect people's deposits in the case of a fraudulent event or a bank collapse.

For the Property Agents Board, the adjustments to the Act will make the day-to-day procedures of governing the property industry more effective and efficient, and give it the ability to act more quickly when needed.

Property Council Tasmania executive director Brian Wightman said fairness and certainty for agents and vendors was extremely important.

He said delivering trust in the procedural and legal requirements for all parties was a terrific step forward.

"Tasmania is strongly presenting the case as a fantastic investment destination," Mr Wightman said.

"Amendments to legislation which deliver confidence in the process for investors is another opportunity to promote the attractiveness of our favourable economic conditions."

REIT president Tony Collidge said these changes would create clarity in the way the real estate industry does business.

"Licensing is another thing that will be reintroduced, putting a tighter control over who is practising in our industry," he said.

"There will also be a minimum amount of training required by everyone practising in property management or sales."

Mr Collidge said the REIT had signed off on its new contract at its annual meeting.

He expects the new contract to be in place by the end of the first quarter of next year after it had been presented to those working in the industry. Mr Collidge said the new Act should be up and running in about March.

The new contract will introduce voluntary cooling-off periods and voluntary disclosure for vendors to reveal everyday details such as a phone connection, structural changes or security system licence, or far more rousing disclosures such as if a murder had been committed on the premises.

"For the many thousands of sales in Tasmania each year, the complaint level is a tiny percentage of these, but the tweaks to our Act and contract were important to make," Mr Collidge said.

» First published in *The Mercury* 24-11-16

Australian Government

Australian Taxation Office

Paying super is an important part of being an employer

Here's how to run a quick check of your super obligations, to make sure you've got everything sorted.

1. Check you're paying super to all of your eligible workers.

Super provides income for your workers in retirement.

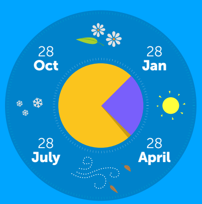
2. Check you're paying the right amount.

9.5%

Currently, you need to pay a minimum of 9.5% of their ordinary time earnings.

3. Check you're paying on time.

(it is tax deductible against your business income)

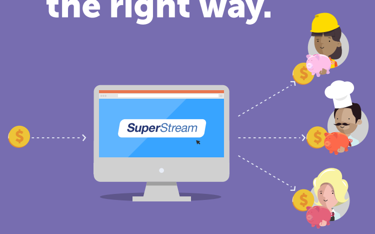


At a minimum, you can pay super quarterly. If you fail to pay on time, you may need to pay a superannuation guarantee charge.

4. Check you're paying to the right place.

You must pay super into a complying super fund or Retirement Savings Account. Workers may also choose their own fund.

5. Check you're paying the right way.



All employers must use SuperStream when paying super.
You may be able to use the Small Business Super Clearing House to distribute payments to your employees' super funds.

6. You need to keep records...

...To show you have met your obligations.

Employing people involves lots of obligations, including superannuation.
The ATO has tools and calculators to help you get it right.

Visit **ato.gov.au/superquickcheck**
to find out more information or call **13 10 20**

JS 37731

DECEMBER 2016

68TH WORLD CONGRESS FIABCI

ANDORRA
23-28 MAY 2017

Online registration

We wish to remind you that you can now register online for the FIABCI World Congress 2017, which will be held in the Principality of Andorra from 23 to 28 May 2017.

Remember, you can register now and change the details later on if you want, adding other features, like cultural visits.

Book your hotel.

Congress App

On this occasion, Fiabci Andorra has developed an app to make it easier for you to follow the conferences and other events connected with the Congress by means of a programme schedule.

It also contains a networking space, a news section and a place for interacting during the Congress, among other functions.

Download the App

Download on the App Store

GET IT ON Google play

Here you will find a guide to the app to get started with it. For the user space, you will need the password that we will give you once you have registered.

How to get here

Are you acquainted with Andorra?

Here's all the information you need on how to reach the Principality of Andorra, site of the 68th Fiabci World Congress.

Do you need further information?

Technical Secretariat

Av de les Escoles, 17.

Edifici Prat de Casa, bloc D, PB, local 1a.

Escaldes- Engordany AD700

REIA

2017
NATIONAL AWARDS
FOR EXCELLENCE
THURSDAY 23 MARCH 2017
HYATT HOTEL CANBERRA

SAVE THE DATE

23 | 03 | 2017

THE TECHNOLOGY PHENOMENON OF REMOTELY PILOTED AIRCRAFT (AKA DRONES)

This article is brought to you by Dr Reece Clothier, Director, AEGIS Aerospace Pty Ltd

The real estate industry has been quick to adopt the technology phenomenon of remotely piloted aircraft (aka drones). Drones have revolutionised the collection of promotional media; offering unique perspectives, from stunning birds' eye views, to close up fly-throughs of a property. However, it is important that you are aware of the safety, privacy, and insurance issues concerning their use.

New regulations allow real estate agents to potentially operate their own drones (under restrictive conditions) or to contract an ever-growing number of drone service providers.

REGULATIONS. Be familiar with the general regulations that apply to the operation of drones. Just to mention a few: you cannot operate a drone over a residential/populous area other than the property you are trying to sell, you must maintain direct visual line of sight with the aircraft, you cannot fly within 30m of a person, and you cannot fly above a height of 120m or within 5.5km of a major airport. To operate outside these constraints requires additional approvals from the Civil Aviation Safety Authority (CASA).

If a drone operator says they can fly outside of these constraints, then you must ask to see their CASA approval.

Be aware that operating outside of these regulations means you may pose an unacceptable risk to members of the public and other aircraft. It will also put you in breach of Federal Law, and will likely void any insurance cover you may have. For more information on the safety regulations visit the CASA website: http://www.casa.gov.au/rpa.

INSURANCE. Your insurance policy may not include coverage for aircraft related activities. An accident involving a drone is considered an event of strict liability, meaning you and your company are automatically liable for any damage caused. Further, there is no regulatory requirement for drone operators to have appropriate insurance coverage, potentially adding to the exposure of your company.

When contracting a drone service provider, always ask to see a copy of their certificate of insurance.

PROFESSIONALISM: Unfortunately a minority of drone operators lack knowledge of the safety regulations, do not have appropriate insurance, and do not meet the high standard of professionalism exhibited by the broader drone industry. Whilst their services may be cheap you need to be aware of the risks you expose your organisation to if you decide to contract their services. A good way to vet prospective service providers is to ask to see their remotely piloted operators certificate, or if they are a member of the AAUS Accredited Drone Operator Program. An accredited operator has been subject to independent checks, which are intended to provide end-users with confidence in the professionalism of the service provider they contract.

Ask for a certified operator or an operator registered as an AAUS Accredited Drone Operator.

If you need more information on the new regulations, insurance, the AAUS Accredited Drone Operator Program, or drones in general, then please contact the Australian Association for Unmanned Systems (AAUS). AAUS is Australia's largest not-for-profit industry and undertakes to promote a professional, safe and commercially viable drone industry in Australia.

www.aaus.org.au

WOMEN & LEADERSHIP AUSTRALIA

SCHOLARSHIPS FOR WOMEN'S LEADERSHIP DEVELOPMENT

Women & Leadership Australia (WLA) is administering a national scholarship initiative to support the development of female leaders.

The initiative is providing women with partial grants of up to $8,000 to assist them to participate in a number of Australia's most highly regarded women's development programs.

This pool of scholarship funding is not expected to be available again in the foreseeable future. Should you be interested, simply complete the Expression of Interest Form prior to December 22nd.

The scholarships are available for women working in a wide range of role seniorities, including junior, middle and senior managers as well as executive level women.

More information on the courses covered by the scholarships and the application process is available on the Scholarships Information Page.

Should you wish to discuss the initiative in more detail, please contact Alistair Young at the office of the National Industry Scholarship Program, WLA on (03) 9270 9032 or via ayoung@wla.edu.au.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PropertyTree is the next generation cloud based Property Management solution.
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INDUSTRY UPDATE

Industry news from around Australia

Tax reform on the agenda for REIWA's State Election campaign

In the lead up to the 2017 State Election, REIWA will be campaigning for the reform of property taxes to help make the dream of home ownership a reality for more West Aussies.

REIWA President Hayden Groves said the Institute would be engaging with the WA community via surveys and polls throughout the campaign period.

"It's incredibly important that the local community have their say on the property issues that affect them. We will be seeking the public's input on the key items of our campaign agenda to ensure their voice is well represented in this State Election.

"Additionally, we look forward to having conversations with all political parties and working together with them to help address problems around affordability, mobility and choice in the housing sector that are impacted by property taxes," Mr Groves said.

REIWA will be campaigning for:

1. The exemption of transfer (stamp) duty for purchases of off-the-plan properties.
2. No increases to transfer duty or land tax rates.
3. A commitment from the Government to launch a state tax review for long-term tax reform.

"All West Australians should have a diversity of choice when it comes to affordable and appropriate housing stock. The current state taxes, in particular transfer duty, are a hindrance to buyers moving within the property market. We encourage the State Government to commit to making housing more accessible and affordable for all West Aussies in the next election," Mr Groves said.

REIWA will be publishing policy fact sheets in the coming weeks and will launch its public surveys early in the New Year.

Dwelling approvals fall in October

The number of dwellings approved fell 3.3 per cent in October 2016, in trend terms, and has fallen for five months, according to data released by the Australian Bureau of Statistics (ABS) ON 30 November 2016.

In trend terms, dwelling approvals decreased in October in South Australia (4.6 per cent), New South Wales (3.8 per cent), Queensland (3.6 per cent), Victoria (3.3 per cent), Western Australia (3.0 per cent), Tasmania (2.6 per cent) and Northern Territory (0.2 per cent), but increased in the Australian Capital Territory (4.5 per cent).

Approvals for private sector houses fell 0.6 per cent in October, in trend terms. Private sector house approvals fell in South Australia (2.5 per cent), Western Australia (2.3 per cent), New South Wales (0.5 per cent) and Victoria (0.1 per cent), but rose in Queensland (0.4 per cent).

In seasonally adjusted terms, dwelling approvals decreased 12.6 per cent in October, driven by a fall in total other residential dwellings (23.5 per cent). Total house approvals fell 2.5 per cent.

The value of total building approved fell 1.7 per cent in October, in trend terms, and has fallen for three months. The value of residential building fell 3.2 per cent while nonresidential building rose 0.8 per cent.

MAKING NEWS
General national news

ASIC launches new digital toolkit to help Australians navigate financial advice

A new online toolkit developed by ASIC's MoneySmart will enable Australians to better understand and navigate the financial advice process.

ASIC's MoneySmart Financial Advice Toolkit is a free educational tool that breaks down the complexity around the financial advice process. It will assist consumers with their research and help them evaluate the financial advice they receive.

ASIC's MoneySmart Financial Advice Toolkit provides an overview of the financial advice process and gives impartial guidance on:

- Identifying financial goals and advice needs;
- Tips on choosing an adviser;
- Preparing to meet a financial adviser;
- Understanding your Statement of Advice; and
- Reviewing your financial situation.

Consumers can use the toolkit to create a customised 'to do' list which they can modify to suit their personal financial needs. The toolkit also includes links to ASIC's Financial Advisers Register where consumers can check a financial adviser's credentials – their licence, authorisations, experience and qualifications, and whether they have ever been banned or disqualified from providing financial services.

'Australians face major financial decisions throughout their lifetime, many of which can be complex and confusing. Yet only about one in five Australians obtain financial advice. ASIC recognises the value that quality advice can deliver and wants to see this increase,' said Mr Peter Kell, ASIC Deputy Chairman.

'ASIC's new toolkit is a practical resource to help Australians assess the quality of the advice they receive and make better financial decisions.'

The resource is a new digital tool that complements and supports ASIC's regulatory and enforcement work in the financial advice sector and is designed to improve demand-side capability at critical financial moments.

ASIC's MoneySmart Financial Advice Toolkit is available on ASIC's MoneySmart website.

More people living in the 'most liveable city'

Figures released by the Australian Bureau of Statistics in mid December 2016 show that Australia's population increased by 337,800 people in the year ending June 2016, but there are wide divergences between the growth rates in the various states and territories, said the Housing Industry Association (HIA), the voice of Australia's residential building industry.

"Overall, Australia's population increased by 1.4 per cent over the year ending June 2016, reaching 24.1 million," said economist Geordan Murray.

"Net overseas migration (incoming minus outgoing migrants) contributed 182,165 people to the increase over the year ending June 2016, and the net inflow was around 3.0 per cent higher compared with a year earlier.

"Natural population growth (births minus deaths) added 155,656 people to the population over the year to June 2016, which was around 2.6 per cent higher compared with the previous year.

"There is a naturally tight relationship between economic conditions, demography, and the requirement for residential building. Economic growth creates jobs, employment opportunities attract more people, and people need somewhere to live.

"The major eastern seaboard states are doing well in terms of population growth and residential building. In contrast, the declining rates of population growth in Western Australia, South Australia and the Northern Territory are reflected in the challenging industry conditions in these jurisdictions.

"Victoria has hosted the fastest growing population in the country since 2014 and the latest figures show the rate of growth increased further to 2.1 per cent in the year to June 2016. The state experienced the largest ever net inflow of people from other states on record.

"In addition, Victoria also experienced the largest net inflow from overseas since the GFC caused a spike in inbound migration back in 2009. With such strong population growth, it is little wonder that the state is able to keep filling so many new homes.

POLITICAL WATCH

Information and news from government

Clock ticking on dodgy property managers

The proposed introduction of a registration system for managers of residential property aims to weed out unprofessional or dodgy operators.

At present, in South Australia, commercial property managers must be registered as a land agent or sales representative under the Land Agents Act – but the requirement does not extend to the residential property sector.

The move responds to demand with the South Australia's consumer watchdog, Consumer and Business Services, receiving about 180 calls a month from tenants, property managers and landlords relating to either inadequate service or alleged inappropriate or poor behaviour from a property manager.

Complaints have included:

- tenants reporting faults such as broken hot water systems but no repairs being done.
- property owners being billed for work that was never done.
- Theft or misappropriation of trust monies. Two examples include allegations of stolen and /or misapplied trust money of $25,000 (a 2015 investigation) and over $70,000 (a 2014 investigation). In both cases the alleged offenders were residential property managers and Consumer and Business Services could only pursue a prosecution case against their employer, not the individual.

Proposed changes will include the development of a Code of Conduct for the real estate industry.

It would only apply to people who are employed by a registered land agent, not those with a less formal arrangement such as managing a residential property for a relative.

The South Australian Government will consult the industry and the non-Government sector on the proposal before releasing a draft Bill and Code of Conduct for public comment in the first quarter of next year.

Background

Extending the regulatory system to residential property management – and the development of a Code of Conduct – will bring South Australia into line with other states and territories.

Representative groups for tenants, property owners and agents have indicated that they support the proposal and want to work with the Government to establish the scheme.

Fair Trading Contact Centre prepares for strata law reform

NSW Fair Trading Commissioner Rod Stowe reminded owners, tenants, strata and property managers that new strata laws came into effect on Wednesday, 30 November 2016.

Key changes include:

- Making it easier for owners to complete cosmetic and minor renovations;
- Making it easier to hold meetings and vote on decisions using modern forms of communication;
- New options for addressing issues of parking, pets and smoke drift;
- Ensuring tenants can play a valuable role in the life of their strata scheme;
- A new collective sale process enabling owners to jointly sell and/or redevelop their strata scheme, which the NSW Land and Environment Court must ensure is 'just and equitable' for the owners.

Commissioner Stowe announced there will be a Strata Hotline ready to take consumer calls.

"With major updates made to the existing strata laws, our Contact Centre Officers who specialise in strata law have been familiarising themselves with the changes to ensure that they are equipped to provide the right assistance and advice," said Mr Stowe.

Mr Stowe is urging people to become familiar with the new laws as they will impact everyone in the strata community.

To learn more about strata law reform and how it affects you, visit www.fairtrading.nsw.gov.au or call the Strata Hotline on 1800 214 023.

THE WORLD

Property news from around the world

Property sales fall across New Zealand but prices up in most locations

Residential property sales in New Zealand fell by 9% month on month in October and are now 14% below where they were a year ago according to the latest index figures.

The data from the Real Estate Institute of New Zealand (REINZ) also shows that sales fell year on year in Auckland by 16% and in Waikato Bay of Plenty by 25%.

But despite the drop in sales property prices have not been subdued. Indeed four regions recorded record high median prices in October. In Auckland prices increased by 5% month on month and at 868,000 are 16% higher than a year ago.

Three other regions posted record median sale prices in October with Northland reaching $399,000, Waikato Bay of Plenty up to $460,750 and Southland equalling its record high of $225,000 reached in January 2008.

However, nationally prices fell slightly by 1% to $515,000 although they are still up 10.9% compared to October 2015. Central Otago Lakes recorded the largest increase in median price compared to October 2015 with growth of 42%, followed by Waikato Bay of Plenty at 21% and Auckland at 16%.

UK residential rents up 2.3% year on year, but fall in Scotland

Rent prices in the UK increased by 2.3% in the 12 months to October 2016 but there are regional differences and rates have fallen in Scotland.

The index data from the Office of National Statistics shows that rent increased by 2.5% in England and by 0.4% in Wales but fell by 0.2% in Scotland.

The ONS index report points out that the annual rate of change in Wales continues to be well below that of England and the Great Britain average but has recovered from a low of negative 0.1% in the year to June 2016. Rental growth in Scotland fell by 0.2% in the 12 months to October 2016 from a high of 2.1% in the year to June 2015.

Looking at data over a longer period shows residential house price growth in Great Britain has typically been stronger than rental price growth for a number of years. There was an average 12 month rate of house price inflation between January 2013 and September 2016 of 6.0%, compared with 2.1% for rental prices between January 2013 and October 2016.

Dubai property sales down by 24% in third quarter of 2016

Residential property sales in Dubai fell by 24% in the third quarter of 2016 compared to the previous quarter and prices and rents were all down slightly, the latest data shows.

Villa and apartment prices both fell by 1% and rents were also down 1% quarter on quarter, according the Dubai residential report from international real estate firm Chestertons.

There were AED3.45 billion worth of residential sales during the period with Dubai Marina the most popular area of the emirate with sales worth AED654 million.

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