



FROM THE DIRECTOR



I am hopping on the bandwagon to have my say about the recent economic slowdown. You are probably sick and tired of hearing the same thing day after day in recent months. We have seen share prices tumble in the last four months at unprecedented levels and the media keeps cautioning how bad things are. Having survived the last severe recession in the early 1990's, my opinion is that things are not as bad as what we are being told unless you had all your money in shares and were heavily geared.

Let's take a quick comparison of where things were in the early 1990's and now.

Back then: If you were lucky enough to have a home mortgage which was capped at 14% you considered yourself lucky. Others less fortunate had to be content with paying residential mortgages at 17% or more. In the case of commercial loans, rates went up as high as 22%.

Today: Commercial rates are down to around 5% and falling, residential rates are slightly higher.

Back then: (1) We had double digit unemployment, inflation was running at 8% and rising, and high interest rates; (2) Office space and other industrial property vacancy rates shot up to around 20% and more; (3) All our four major banks were struggling with heavy losses with no government assistance or guarantees.

Today: (1) Inflation is around 4% and falling; (2) Office space and other industrial property vacancy rates are at approximately 6% vacancy Australia-wide. Residential vacancy rates in Melbourne are at all time lows - inner city within 7 kilometres from the CBD are as low as 1%; (3) All banks have received guarantees from the federal government on deposits and are unlikely to suffer heavy losses, and while the dust is still settling the institutions appear to be holding strong.

Compared to most other countries Australia's economy is good. The federal government and the Reserve Bank of Australia have made a commitment that they will do whatever it takes to safeguard Australia's economic wellbeing.

Feel better now? You should. An average person with a job and a mortgage is much better off than from six or even twelve months ago. Stay positive and keep focused on your work and the recession that we are told is imminent or some say is already here will pass you by with little consequence.

Whilst most corporations are downsizing we at Roscon continue to expand our products and services. I would like to welcome Kingsley Osmond as our most recent recruit to Roscon. Kingsley's main duties will be to promote Business

Development and Client Services. He holds a diploma in Building and a diploma in Building Surveying.

All the best to you for whatever 2009 eventuates. Some will be challenged and others will find opportunities. Good luck to everyone!

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OWNERS CORPORATION FEES – CAN THEY BE REDUCED? WE THINK SO.

Under the current Strata Management system managers are responsible for all aspects relevant to the operation of properties under their custody. They must prepare and oversee the budget, arrange and direct meetings, liaise with owners, tenants and rental managers, manage the economics by collecting fees, paying the bills, arrange trades for repairs, sourcing quotations, submitting quotes for approval, letting contracts to trades to perform the quoted works, and that's just to name a few. Managers also provide additional non-core tasks that are not within their job description. To adequately administer to the wellbeing of a property means that a manager must perform all this for a minimal, competitive management fee.

With all the demands and complexities facing Strata Managers in the running of their properties, their time can be radically restricted insofar as sourcing new properties and expanding their portfolios.

Our acquired knowledge and extensive experience in property has enabled us to identify a void in the property maintenance industry which is in desperate need of a service solution. Through years of experience within the Strata Management industry, Roscon Property Maintenance Pty Ltd has developed a system where many of the tasks that the Strata Manager performs (at no cost to the Strata Plan) can be assigned to our team of professionals. Roscon will assist the Strata Manager in sourcing quotes, obtaining approvals, engaging the trade, overseeing the works, providing inspection, monitoring OH&S implications, and submitting invoices to the Strata Manager for payment.

Roscon Group of Companies (Roscon) was established in Melbourne in 1987. The company has since evolved from its history of developing its own projects including construction and management of commercial and industrial projects. Roscon branched out to provide comprehensive service capabilities into Property Maintenance Management, Grounds Management, Cleaning Services, Graffiti Removal, Waste Collection and all other Maintenance Management needs. Our management system has been assessed by international certifications and found to comply with the requirements of ISO 9001:2000 Quality Management standards.

Outsourcing immediately makes available your business's most valuable resource – people power. It enables your management team to focus on operations fundamental to the growth and health of your business. Services that are not core to your business but are still essential to your operations, benefit from specialist service delivery. Performed by people who know their job meticulously, our services improve maintenance management control. Non-core functions now strictly governed by statutory requirements require expert management and supervision which Roscon can provide.

Comprehensive Maintenance Cover is a product exclusively developed by Roscon. It is a complete property maintenance solution which provides comprehensive fixed priced maintenance cover, resulting in a dramatic reduction in budgetary risks for Bodies Corporate and property owners alike.

Roscon assumes the risk on repair and maintenance costs. We elect to work within these guidelines as we believe this reinforces our commitment and relieves our client of risk. If for example a light globe is not working or a door lock is malfunctioning we replace or repair it. There is no limit to the tasks we are asked to perform in managing maintenance in a property portfolio. Our key staff possesses construction and property management expertise.

It is acknowledged that a property manager will spend a considerable part of their time attending to maintenance issues. On large developments a property manager may deal with up to 20 or more contractors. By outsourcing the maintenance to Roscon your property managers can have more time to focus on managing and expanding property portfolios directly resulting in significant increases for your company's bottom line.

Roscon's services are personally attended through one point of contact to ensure that accountability and continuity is maintained through all project components. More recently, property managers have the added responsibility to ensure all maintenance works are carried out in accordance with the Occupational Health and Safety (OH&S) Act. They are now required to comply with workplace safety guidelines using appropriate Job Safety Analysis checklists which must be completed by all contractors prior to carrying out prescribed works.

We recruit industry experts with senior management experience and comprehensive understanding of issues relevant to the markets in which we contribute. Roscon is highly sought after by the property management industry to provide a wide variety of detailed reports from waste management to maintenance budget plans.

REGISTERED BUILDERS UNDERSTANDING THEIR QUALIFICATIONS AND LIMITATIONS.

WHY USE A REGISTERED BUILDING PRACTITIONER?

Every building project, no matter how big or small, carries some sort of risk. By using a Registered Building Practitioner you are engaging a qualified, knowledgeable and experienced professional. Whether building or repairing a building that has been occupied, an experienced registered building practitioner understands the public risk involved and will introduce the necessary safety measures.

If the value of the works exceeds \$5,000, the first question you should always ask your builder is: "Are you a Registered Building Practitioner?" It is a legal requirement that you use such a registered professional in all works exceeding this

amount. You can check if your builder is registered by calling the Building Commission on 1300 360 320 or use the 'Finding an RBP' menu at www.buildingcommission.com.au.

With the variety of work that is performed on ageing buildings it is essential that an experienced builder is engaged to perform the works in a manner that is both safe and efficient.

If you engage a Registered Building Practitioner or use subcontractors to undertake the work they must provide you with a major domestic building contract for work over \$5,000. For work over \$12,000 they must also provide domestic building insurance. It is an offence for an unregistered builder to carry out building work for contracts over \$5,000.

Your association with your builder is that of a business relationship. It carries certain roles and responsibilities and, as



a consumer, it is important to know where to go if problems arise. Building Advice and Conciliation Victoria is a one-stop shop for consumers and builders, providing free advice and assistance to resolve domestic building issues and disputes. BACV is managed and delivered jointly by Consumer Affairs Victoria and the Building Commission. Available services include advice, conciliation and technical inspections of building work. You can contact BACV on 1300 557 559 for free advice from trained staff.

COUNCILS ARE DEMANDING WASTE MANAGEMENT PLANS.

The purpose of the Victorian Planning Act 1987 is to build a sustainable environment, and as such a waste management plan is a requirement for new multi-unit developments.

A waste management plan will provide audited confirmation that adequate facilities and methodologies are in place to manage and control waste created by existing land use.

Engaging an experienced company to compile the plan ensures a comprehensive review of all relevant elements including general and recycled waste generation per unit/lot, control and management of waste disposal, and confirmation or installation of the required infrastructure. A variety of actions employed may include wheelie bin storage, kerbside collection, mechanical compaction equipment and necessary waste disposal methodologies.

Roscon can provide detailed plans with in-depth calculations of waste volume, appropriate compaction equipment and waste disposal management. Additionally, Roscon will make certain that the proper facilities will be in place and

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procedures outlined for maximum efficacy in the event that there is a full time caretaker for the development.

Environmental sustainability is a difficult concept for people to understand and relate to within their everyday lives. Despite this, people are grasping that the environment may be in the process of deterioration over time. One of the key barriers to the adoption of more sustainable practices is the poor understanding of sustainability principles and natural environmental cycles, not only by the general community, but also by building designers, housing developers and policy makers.

Sustainable consumption is the use of goods and services that meet basic needs and quality of life without jeopardising the needs of future generations. For individual consumers this means purchasing and using fewer resources and products; selecting more eco-efficient products and services; and producing less waste. For developers of new residential buildings this means putting in place measures to provide ongoing management of waste in the form of a waste management plan.

WHAT IS A "WASTE MANAGEMENT PLAN" AND WHY ARE THEY REQUIRED?

Unsorted construction and demolition waste accounts for millions of tonnes of waste going to landfills each year. These volumes together with the limited capacity of available landfill have resulted in the need for new developments to consider waste management as part of the development process.

A Waste Management Plan is a document detailing and recording amounts of construction debris to be sorted, collected, recycled, salvaged and disposed of on a job site. It also specifies ongoing management practices once the development is occupied. The plan will help developers minimise waste generation, maximise the recycling of materials and dispose of waste in an appropriate manner.

In assessing the Waste Management Plan, Council takes into consideration the types of wastes likely to be produced as a result of the proposed development and the methods proposed by the applicant.



Many developers and builders are often unsure of the purpose and requirements of waste management plans. To ease the stress and uncertainties of providing a plan for planning approval, engaging an experienced company with the know-how to prepare the required documents is advised.

Roscon possesses the experience and expertise to compile a waste management plan for submission. Our format is easy to understand and we have worked with many developers in the past to provide plans for multi-storied buildings in excess of 200 units.

Our reports will identify the timeframe that it will take to introduce an environmental management system and describe arrangements for the cleaning and maintenance of waste storage areas including volume handling and



reduction equipment. We will also place appropriate signage and make occupants/tenants aware of how to utilise the waste management system correctly along with identifying each stage of waste transfer and disposal.

ESSENTIAL SAFETY MEASURES...ARE YOU UP TO DATE?

Under the "Building Regulations 2006 - part 12," building owners need to be aware of the new obligations in relation to buildings built before July 1994. An owner of a building or place of public entertainment constructed before the 1st of July 1994 *must* prepare an annual Essential Safety Measures report. The essential safety measures report must be approved and in place before the 13th of June 2009.

WHAT IS AN ESSENTIAL SAFETY MEASURE?

An essential safety measure is defined under the Building Regulations 2006 and can be summarized as any measure (including an item of equipment, form of construction or safety strategy) required to ensure the safety of persons using the building. This may include safety systems such as: mechanical ventilation, fire rated materials, exit doors, path of exits, early warning systems, emergency lifts and lighting, emergency power supply, exit signs, fire extinguishers, fire/smoke detectors and alarm systems etc. See the Tables I1.1 to I1.3 and I1.5 to I1.11 of Volume One of the Building Code of Australia (BCA).

Once the construction of a building is completed, it is the responsibility of the building owner to ensure that maintenance to the building is up kept and most importantly, that the essential safety measures in place are audited yearly. By ensuring that the essential safety measures systems are in place and maintained, the building will remain at the required safe operational level throughout its life span. The type, size and nature of the building will determine the complexity of the required safety measures and equipment.

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Building classes subject to the Essential Safety Measures regulations are classes 1b, 2, 3, 5, 6, 7, 8 and 9 and places of public entertainment. This means all buildings other than a house or outbuilding are affected.

WHAT DOES THE LAW REQUIRE?

Building owners are required to maintain all items listed as essential safety measures such as all safety fittings, equipment and safety features. Obligations may vary dependent on when the building was built or when building work occurred for that particular building. Please refer to the Building Regulations Part 12 – Division 1.

In the case of buildings constructed or altered since 1 July 1994, the building surveyor at the completion of the works would have issued an occupancy permit or certificate of final inspection. The following items would have been listed within the permit/certificate.

- Essential safety measure associated with the building work
- Level of performance for each essential safety measure to fulfill its purpose
- Frequency and type of maintenance required.

In the case of buildings built before 1 July 1994, the owner is required to prepare an annual essential safety measure report. The building owner must ensure that any safety equipment, safety fittings or safety measures are maintained and are fulfilling their purposes, including exits and path of travel to exits. Records of maintenance checks, safety measure and repair work should be kept for inspection by the chief officer of the fire brigade or the relevant building surveyor. If any renovations or alterations are executed the status of your building may change so it is important to engage a building surveyor to ensure compliance.

WHO IS RESPONSIBLE FOR ENSURING ESSENTIAL SAFETY MEASURES ARE IN PLACE?

Councils have a responsibility under building legislation for the enforcement of building safety within their municipality. Therefore they hold the owner/manager in charge of a building or place of public entertainment accountable for ensuring that an approved essential safety measures plan is in place and audited annually. Directives in the Building Regulations 2006 specify that the first report must be submitted by the 13th of June 2009. Subsequent reports are due before each anniversary of the 13th of June 2009.

WHAT HAPPENS IF AN OWNER DOESN'T COMPLY?

The municipal building surveyor or the chief officer of the relevant fire brigade is responsible for inspecting and enforcing these regulations. Hefty fines may be issued as a result of non-compliance. Infringement notices issued by the council or fire brigade may result in fines of \$1000 or more. Further non-compliance may result in prosecution in which fines may reach \$10,000 for individuals and \$50,000 for companies for each breach of the regulations.

The most important issue is that non-compliance to the regulations can potentially put not only the buildings' occupants at risk but also occupants of surrounding buildings and the public in general.

Adhering to regulations by having essential safety measures in place and systematically audited is the best insurance that fire safety systems will remain at the required operational level. This in turn provides safety to the occupants in the event of an emergency.

You as a building owner are required to prepare an annual report on the building's essential safety measures. You may choose to engage specialist maintenance contractors to assist in the preparation of the report. Roscon can facilitate

the auditing of all essential safety measures installed or required in a new building or for buildings constructed before the 1st of July 1994 (before the June 13th deadline). Roscon assures you get a professional report detailing all of the requirements compliant with building regulations and approved by the commission.

SOMETHING TO THINK ABOUT

WHAT BILL GATES TOLD A GROUP OF COLLEGE KIDS

Contained in Bill Gate's message about life for recent high school and college graduates is a list of eleven things they did not learn in school. He talks about how feel-good, politically correct teachings created an entire generation of young people with no concept of reality and how it set them up for failure in the real world.

- Rule 1** Life is not fair; get used to it.
- Rule 2** The world won't care about your self-esteem. The world will expect you to accomplish something before you feel good about yourself.
- Rule 3** You will not make 40 thousand dollars a year right out of high school. You won't be a vice president with a car phone, until you earn both.
- Rule 4** If you think your teacher is tough, wait until you get a boss. He doesn't have tenure.
- Rule 5** Flipping burgers is not beneath your dignity. Your grandparents had a different word for burger flipping; they called it opportunity.
- Rule 6** If you mess up, it's not your parents' fault, so don't whine about your mistakes, learn from them.
- Rule 7** Before you were born, your parents weren't as boring as they are now. They got that way from paying your bills, cleaning your clothes and listening to you talk about how cool you are. So before you save the rain forest from the parasites of your parents' generation, try "delousing" the closet in your own room.
- Rule 8** Your school may have done away with winners and losers, but life has not. In some schools they have abolished failing grades; they'll give you as many times as you want to get the right answer. This doesn't bear the slightest resemblance to anything in real life.
- Rule 9** Life is not divided into semesters. You don't get summers off and very few employers are interested in helping you find yourself. Do that on your own time.
- Rule 10** Television is NOT real life. In real life people actually have to leave the coffee shop and go to jobs.
- Rule 11** Be nice to nerds. Chances are you'll end up working for one.

NEXT *rosconupdate* winter 2009

- 1) New Occupational Health and Safety Regulations
- 2) Protecting your investment with a pre-purchase inspection?
- 3) Balcony maintenance

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