

FROM THE DIRECTOR



Experience matters when it comes to your reporting needs, when selecting a professional to undertake your obligations in having buildings assessed for either insurance or maintenance plans, managers should insist in the following criteria from the property professional which consist of three things, experience, experience and experience. We have been involved in this industry long

enough to assure our customers that our work is guaranteed to be accurate and carried out professionally, in all areas of our business. We are leading our field in the areas of property maintenance with the implementation of our 24/7 1800roscon (1800 767 266) emergency number where people can call 24/7 and actually speak to a real person. Our specialist reporting inspections are changing the way inspections have been carried out in the past. We use equipment to access areas where it may not normally be accessible, under normal inspections circumstances. The building professional would simply apply a clause in his report to say these areas have not been inspected therefore no responsibility of accuracy is provided. We have assessed some of Victoria's largest residential projects to date and are building our facilities management business to suit the Owners Corporation Industry. At a time when most businesses are downsizing to cut costs our business is continually growing.

MAINTENANCE BUDGET REPORTS – ARE THEY ACCURATE

We are always interested in knowing what our competitors are doing, and have noted recently within a handout at an information session, that some of our competitors are struggling with the understanding and implementation of the Owners Corporation Act. The handout actually attempted to quote section 37 (1) and 37 (2) of the Act but failed to quote it accurately, with words changed and words missed.

Included within the handout was a sample of a large Owners Corporation (235 Units) and also a small Owners Corporation (21 Units). The large plan provided a graph and financial statement, both of which showed that the plan was over 25 years and that at year ten the balance at the trust fund was almost at a zero value. Between the 24th and 25th year the balance in the fund dropped to a negative value of \$169,921. A maintenance plan should be a positive growth plan that, at no time reaches a zero balance and, at no time attains a negative value. A maintenance plan needs to be established so that it counters the escalation of costs caused by inflation and the increased maintenance due to the general ageing of

the building. The sample report allowed for inflation at 3% and this was allowed over the full 25 years. To allow 3% is totally inappropriate as the level of today's inflation exceeds that value and with the historic fluctuations that occur, an average 5% is much more appropriate.

The report shows that the only allowance that is made is the allowance for replacement of items that fail. It is my understanding that the Owners Corporation Act was implemented so that the condition of a building could be serviced and maintained in a good condition, with the implementation of ongoing maintenance, thereby negating the need to incur a sudden and excessive bill for the replacement of sundry sections of the building and/or plant and equipment.

As stated earlier there is a large and a small Owners Corporation report and the small report details, again the replacement cost for various items, but the report fails to allow for inflation, it also states that on the basis of 21 units the average unit levy, for the first year, would be \$4,524 and for the second year would be \$3,190. The small report has many areas where it does not comply with the Act. It does not show a life span and it does not show a maintenance period.

When you are sourcing a company to provide your report, attain a sample of the report so that you can clearly see that:-

- The report complies with the Act especially section 37 (1) and 37 (2)
- The report achieves positive growth
- The report allows for maintenance and servicing of the relevant plant and equipment

EQUIPMENT HIRE AS OPPOSED TO OUTRIGHT PURCHASE

Roscon Group is a supplier of Equipment Hire solutions. Over many years we have developed expertise in managing the assets of the owner's corporation of any size. Rather than owning it, hiring equipment has many advantages over other methods for example;

1. Hiring gives owner's corporation access to a pool of equipment and one piece can be replaced quickly and efficiently therefore minimising the cost of breakdowns.
2. When hiring an Owner's Corporation will always have access to the right tool for the job therefore increasing efficiency and safety of your workforce.
3. With Hire you can eliminate Maintenance costs.
4. Hiring equipment can help reduce investment therefore freeing up capital for the owner's corporation to use the funds elsewhere.

5. Hiring eliminates the need to maintain in-house equipment expertise. There are so many different types of equipment, that it is almost impossible to know which is the most appropriate for every job. Roscon Group employs teams of equipment hire professionals and we have done the research for you.
6. Hiring is beneficial for the environment – by hiring you are gaining access to a shared pool of assets that are available to everyone and tend to be utilised more than assets owned and operated by a single business. Greater utilisation leads to greater efficiency in the use of resources and less waste – That can only be good for everyone.
7. Hiring can help improve staff and contractor safety. Equipment supplied by Roscon Group is well maintained and compliant with the latest legislative or work cover requirements. This should make you, your staff, their unions and your insurance company very happy.



Everyday, more and more people come to realise the many benefits of hiring tools and equipment.

Hiring saves money

With no capital outlay, you can have immediate access to our huge range of the most modern equipment. You save on labour costs and the problems of registration, insurance, depreciation, storage, repairs and maintenance, are not yours. When you hire from Roscon Group, you get the very latest equipment. When new and better equipment is developed, we buy it, so you can hire it.

FACILITIES MANAGEMENT

When it comes to facilities management, Roscon Group is one of the Victoria's most experienced service providers.

All of our sites are set up to maximize resources. Drawing on our years of experience, and our strong relationships with Victoria's leading Owners Corporation management companies, we combine equipment and staff to create the ideal facility for your individual needs.

We take care of every detail to maximize efficiency – right down to ensuring that our staff are easily recognizable in their distinctive uniforms.

It is our commitment to develop and manage Facilities Management systems that support continual improvement in Facilities Management service delivery standards.

We also strive to provide the Owners Corporation Manager with a single point of contact for all Facilities Management requirements.

Maintenance Services also deliver the maintenance program for an appropriate, fully functional, aesthetically pleasing and comfortable environment for all owners occupiers and visitors.

Facilities Management is responsible for:

Promotion and development of sustainable practices
Maintenance and operations of buildings, infrastructure and grounds

Security and parking services for people, property and the environment

To maintain our high levels of standard all buildings are cleaned to set specifications with expected cleaning outcomes. A quality assurance auditor assesses all buildings several times during the year, using a quality assured reporting regime. The assessment reports are compiled and forwarded to Owners Corporation managers as well as staff engaged in the cleaning process, so that all major stakeholders receive detailed feedback promptly.

Our Vision

Roscon Group will provide and manage the physical resources entrusted to our care, to enable the Owners Corporation to achieve excellence in the standard of maintenance and cleanliness of the common areas.

This vision is achieved, through consultation and open communication with our clients, by:

- Proactively planning to optimise a sustainable physical infrastructure.
- Identifying opportunities to enhance buildings, grounds and surrounding infrastructure.
- Ensuring the appropriate application of operating capital to the improvement, renovation, and maintenance of physical resources through strategic asset management and being accountable for the allocated funds.

Offering high quality, cost-effective, efficient services, advice and ensuring staff, owners, occupiers and the public enjoy a safe and well presented environment. Utilising effective planning procedures, program driven delivery and project management processes.

To provide facilities, services and strategic planning advice in the acquisition, development and maintenance of physical resources that support the Owners Corporation's vision and responsibilities within a wider community.

Facility Management services encompass:

- Waste Management
- Emergency Breakdown Maintenance
- Preventative Maintenance
- Minor Works
- Property Services

Disclaimer:

The material in *rosconupdate* is of the nature of general comment only, and neither purports nor intends to give any advice. Readers should not act on the basis of any matter in this *rosconupdate* without first considering, and if appropriate taking, professional advice. The author expressly disclaims all and any liability to any party or organisation, whether a reader of this *rosconupdate* or not, in respect to anything, and of the consequences of anything done or omitted to be done by any such person in reliance, whether whole or partial, upon the whole or any part of the contents of this *rosconupdate*. The author will not accept any responsibility for any errors or omissions. Always seek professional advice from a relevant qualified professional. Copyright© no part of this communication may be copied in any way without first obtaining our written permission from Roscon Group of Companies.

Facilities Management is committed to reducing the amount of waste going to landfill and recycling as much as possible. Recycling programs on properties include:

- Commingled (mixed) recycling in the office
- Cardboard
- Polystyrene
- All types of plastic
- Toner and printer cartridges
- Computers & electronic waste
- Mobile phones
- Batteries

Waste Management is the reduction, reuse and recycling of wastes - with disposal being the last resort.

The Waste Management System consists primarily of a recording and monitoring system that provides a running account of waste generation, tonnage of waste disposed and recycled quantities. The system can also assist in reducing costs by, for example, identifying areas of over-servicing.



Waste Management has become increasingly important, as population increase has not been accompanied by a relative reduction in waste generated. The ocean was once used as a waste facility but is now protected to some degree, which has forced waste disposal inland. Landfill sites however, are now becoming increasingly difficult to find, due to the "NIMBY" (not in my back yard) philosophy extolled by environmentalists and the community generally.

Emergency breakdown maintenance

Activities associated with the repair of site features, building and plant or equipment which has become inoperable or unusable due to failure of component parts.

Preventative maintenance

Scheduled activities performed to retain an item or asset in its original condition as far as practical.

Property services

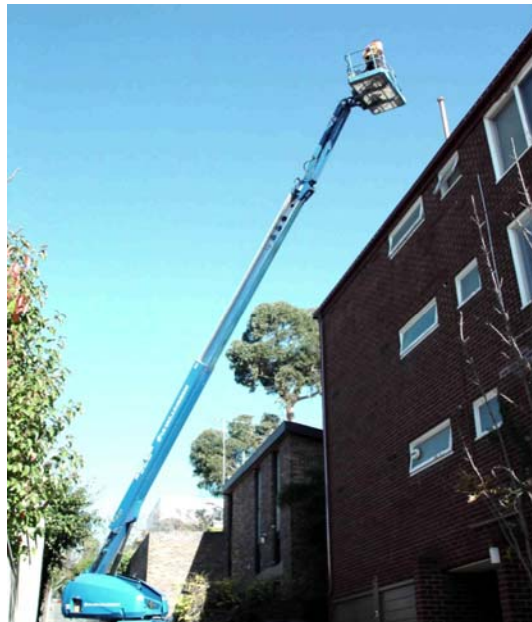
Activities to ensure that buildings and facilities are maintained at the highest level of cleanliness and to ensure that facilities are secure.

WHO'S LOOKING AFTER YOUR BUSINESS AFTER HOURS

Our professional team has extensive knowledge and experience in all areas of property maintenance and repairs, including building, plumbing, electrical and general maintenance. We offer emergency response services 24 hours a day, thus making Roscon Property Maintenance the ideal choice for Real Estate Agents, Strata Agents and Tenants needing a professional property maintenance service. If you have an emergency situation develop call us. We will dispatch all necessary manpower to stabilize / make safe the situation, ensuring that you will only incur a minimal cost for the after hours service.

Quotations will be provided for the rectification works allowing that the works will be performed during normal working hours, under the complete supervision of fully experienced Roscon staff.

ROSCON WILL GO TO ANY LENGTH



Roscon will go to any length to provide a complete report. With our fully trained and licensed operators we perform Building Defect reports that cover all non intrusive parts of the building, including walls, windows, roof, vents and flues, stairways, walkways, balustrade etc. The report provides an image of the defect, the location of the defect, the details of the defect, the auditor's recommendations, a priority estimate and a cost estimate. All of these items will make it easier for the property manager to source quotations for the works that are detailed in the report.

The report is a proactive way to audit the items that require attention and to develop a budgetary program for their rectification. It is a valuable tool in maintaining the quality of the property and provides a means to service rather than replace.

Disclaimer:

The material in *rosconupdate* is of the nature of general comment only, and neither purports nor intends to give any advice. Readers should not act on the basis of any matter in this *rosconupdate* without first considering, and if appropriate taking, professional advice. The author expressly disclaims all and any liability to any party or organisation, whether a reader of this *rosconupdate* or not, in respect to anything, and of the consequences of anything done or omitted to be done by any such person in reliance, whether whole or partial, upon the whole or any part of the contents of this *rosconupdate*. The author will not accept any responsibility for any errors or omissions. Always seek professional advice from a relevant qualified professional. Copyright© no part of this communication may be copied in any way without first obtaining our written permission from Roscon Group of Companies.

It identifies incorrect falls on gutters, dirty guttering etc and provides a view of the sections of the building that are not normally accessible to the Property Manager. Our reports have identified works that were supposedly fixed including dirty gutters that were cleaned and invoiced by a contractor four days prior to the audit. Maybe you need to ask yourself "am I being invoiced for works that have not been performed". Think of how easy it would be for a contractor to invoice you for works that have not been performed, especially when the area where the works are to be performed is not accessible for you to inspect thereby placing the contractor on the honour system.



Everything in life requires attention, from cars to buildings. At Roscon we understand the implications of lack of maintenance and how costs for repairs escalate when maintenance is not performed. Failing to maintain a property will mean that the repairs that are required will be the replacement of parts of the building and not the cost of a coat of paint.

With Roscon you will receive a report that details the areas that require maintenance, the suggested maintenance and also a quotation for the maintenance that is required. We will provide practical solutions that will assist you in preventing the long term deterioration of your property. Roscon is a full service Maintenance Company providing expert service to the whole of Victoria. We offer year round services to all properties ranging from residential, retail, commercial and industrial.

We specialise in Owners Corporation & Real Estate Management Property Maintenance. We provide maintenance services which meet our customers' high expectations.

We have the team and the latest equipment for all your property maintenance requirements. All our staff are fully qualified and experts in their particular field.

We believe in excellent service and developing and maintaining the highest possible standards of care and attention. All work carried out by Roscon is fully Guaranteed.

HERE IS SOMETHING TO THINK ABOUT

The only way to reduce economic pain is to make personal spending cuts. The hard part is working out what to cut back on.

There are two main forms of personal spending: necessities and discretionary items. The only items in the necessity basket are shelter, food and energy to keep us warm or cool. But apart from the "true" essentials, everything is up for grabs. Discretionary items come in two basic forms: stuff and experiences. Stuff is what we wear, drive, sit on and own for a long period.

Experiences are things we participate in. They require some degree of exertion. Often they involve money, as in the case of eating out, travelling, playing tennis and golf.

In tough economic times, the tendency is to cut back on the experiences and maintain, as far as possible, the stuff.

This mainly stems from an innate desire for status and conformity. People want to be liked, and we think that owning nice cars, clothes and TVs will so impress others that they will think well of us and treat us well.

But studies into the human condition have established that the keys to happiness are health, self-esteem, good relationships, a sense of control, challenging work and active leisure. Stuff doesn't matter. In fact, once people are beyond the average level of income, money also doesn't enhance wellbeing.

Putting the theory into practice means that the best way for increasingly money-strained Australians to maintain their levels of wellbeing is to stop buying cars, TVs, clothes and fashion accessories. Retail therapy is a con. The psychic benefit derived from buying an item nearly always lasts less than the hours it takes to pay for the item.

It is far more important not to skimp on experiences. People derive considerable pleasure from active pursuits, especially of the type that involves engagement with other people.

Fortunately, these often don't cost much. Playing tennis at the local club is just as pleasure-enhancing as serving aces at Royal South Yarra Tennis Club. And dinner with friends at the cheapie local restaurant is just as rewarding as a few plates at Vue De Monde.

That's why a person on \$100,000 salary who uses most of it to pay the lease on a flash sports car is more likely to be miserable than a person on half the salary who keeps the stuff lean and spends most of his or her discretionary income on things they "do".

NEXT *rosconupdate* summer 2008

- 1) Owners Corporation Fees – Can they be reduced we think so.
- 2) Registered Builders understanding their qualifications and limitations.
- 3) Councils are demanding from developers waste management plans

CONTACT US

Roscon Property Maintenance Pty Ltd

A division of the Roscon Group of Companies
ACN 108 876 697 ABN 60 108 876 697

Head Office 150 Sydney Road Coburg (Vic) 3058

t: 9385 0040 – f: 9386 8199 e: info@roscon.com

Warehouse 12 Leo Street Fawkner (Vic) 3060

Disclaimer:

The material in *rosconupdate* is of the nature of general comment only, and neither purports nor intends to give any advice. Readers should not act on the basis of any matter in this *rosconupdate* without first considering, and if appropriate taking, professional advice. The author expressly disclaims all and any liability to any party or organisation, whether a reader of this *rosconupdate* or not, in respect to anything, and of the consequences of anything done or omitted to be done by any such person in reliance, whether whole or partial, upon the whole or any part of the contents of this *rosconupdate*. The author will not accept any responsibility for any errors or omissions. Always seek professional advice from a relevant qualified professional. Copyright© no part of this communication may be copied in any way without first obtaining our written permission from Roscon Group of Companies.