



## FROM THE DIRECTOR



At Roscon we continually look at ways to assist the Owners Corporation industry in becoming more proficient and professional at handling maintenance issues. Managers can benefit from time saving measures for repair jobs that employ multiple trades. One means of achieving this is to have a building expert develop chronological steps of how the work should be tackled. In cases where work is referred to

professionals such as architects and engineers, the builder must still be involved in the execution of the specified works. To help managers organise and systematize the process which ultimately saves the client time and money, we have developed a service called **ScopeAssist®**.

Firstly the manager needs to understand the definition of 'scope of works' or work scope. It is best described as the *chronological division of work to be performed under a contract or subcontract in the completion of a project*. Roscon's experienced building professionals can identify the problem quickly and advise the property manager and/or committees on the best course of action. This allows managers to focus on core management functions rather than making risky decisions on building and occupational health and safety matters which require specific expertise.

## NEW OCCUPATIONAL HEALTH AND SAFETY REGULATIONS

The new Victorian Occupational Health and Safety Regulations 2007 introduction of the 'principal contractor' concept applies to all Victorian property owners, developers, landlords, tenants and contractors. Specific duties now apply with large fines for failure to comply. From 1 July 2008, Part 5.1 of the Occupational Health and Safety Regulations 2007 (Vic) (OHS Regulations) came into effect. This Part of the OHS Regulations relates to "workplaces where construction work is performed."

'Construction work' has been given a broad definition and a new category of duty holder as "the principal contractor" has been created. It is important that property owners and developers, landlords, tenants, strata managers or other persons with legal responsibilities in relation to property are aware of the operation of the OHS Regulations and the obligations that they may now have.

In addition, any design and construct contracts, leases, agreements for lease, development agreements, joint venture agreements and other documents entered into after 1 July 2008 should now be considered in light of the OHS Regulations.

What is 'construction work'? OHS Regulations defines it as "any work performed in connection with the construction, alteration, conversion, fitting out, commissioning, renovation, refurbishment, decommissioning, or demolition of any building or structure, or any similar activity".

While this definition within Regulation 5.1.1(1) Occupational Health and Safety Regulations 2007 (Vic) does have exclusions, including activities such as "routine or minor testing, maintenance or repair work", it is broad enough that any person involved with property is likely to encounter 'construction work' on a premises at some stage. Despite the introduction of new obligations on employers when performing 'construction work' and 'high risk construction work' it is not just the employer of construction workers who now have responsibilities under the OHS Regulations.

The term 'principal contractor' has been used interchangeably with other idioms such as 'head contractor'. However, this term did not exist as a legal concept with a specific meaning until the commencement of the OHS Regulations. Under this ruling the owner is the principal contractor of the workplace unless the owner appoints and assigns authority to a substitute principal contractor for the construction work performed for or on behalf of the owner.

Therefore, a 'principal contractor' for the purposes of the OHS Regulations will only ever be the owner of the workplace or a person appointed and authorised by the owner. The OHS Regulations create the following obligations for a 'principal contractor': place signs visible from outside the workplace to show the name and contact numbers for the principal contractor; ensure that a health and safety co-ordination plan (HSCP) is prepared before the construction work commences; ensure that the HSCP is monitored, maintained and kept up to date during the construction work; a copy of the HSCP and any revisions are kept for the duration of the work; have the HSCP available for inspection; and ensure that any person starting work at the workplace is aware of the HSCP and is given access to it.

Furthermore, it is also important for national companies to be aware that standard contractual provisions that are applicable in other states is not an appropriate means of dealing with the duties that arise under the Victorian OHS Regulations. By blindly accepting such contracts, persons may expose themselves to additional obligations that do not apply under the Victorian OHS Regulations. Other states such as New South Wales and Queensland may incorporate different legislation which places greater legal obligations. It is worth reviewing and making comparisons with the following:

- Regulation 5.1.15 Occupational Health and Safety Regulations 2007 (Vic)
- Regulation 5.1.16(a) Occupational Health and Safety Regulations 2007 (Vic)
- Regulation 5.1.16(b) Occupational Health and Safety Regulations 2007 (Vic)
- Regulation 5.1.18(1) Occupational Health and Safety Regulations 2007 (Vic)

- Regulation 5.1.18(1) Occupational Health and Safety Regulations 2007 (Vic)
- Regulation 5.1.18(2) Occupational Health and Safety Regulations 2007 (Vic)

Why is all this important? The maximum penalties for infringements under the OHS Regulations are substantial with a potential liability of \$55,060 for a corporation and \$11,019 for an individual.



Accordingly, it is important that property owners and developers as well as landlords and tenants, assess whether contractual documentation entered into with respect to any construction work to be undertaken on land that they own and/or occupy adequately protects them from obligations and responsibilities that they may otherwise be unaware of as a result of the OHS Regulations.

## WHAT YOU NEED TO KNOW ABOUT MAINTENANCE OF BALCONIES

Inspection statistics have revealed numerous rotting balconies that could cause severe injury or death in the event of a collapse. Any balcony has the potential, if not appropriately maintained, to fail at some stage. The legal and financial implications for home owners are enormous.

### What can affect balconies?

There are many things building owners should be aware of that can affect the structural adequacy of a balcony over time. These may include:



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- **Termites** - Timbers can be affected by insect attack. In areas of termite risk, the appropriate timber and treatment are needed regardless of whether the council has declared the area likely to be subject to termite attack.
- **Wet rot** - Timber is affected by water. Wet rot occurs when a timber member is in constant contact with the ground or another timber member in the presence of moisture.
- **Seaside and corrosive effects** - Corrosive environments including coastline areas can affect unprotected steel structures, reinforcing steel and fixings such as bolts and fixing plates.
- **Loadings** - Large pots, water features and the like provide additional loads for a balcony to support when it may not have been designed to do so.

### How to look out for potential balcony collapse

It is critical to ascertain whether your balcony was built properly. One way is by checking council records for proof that building approvals were issued. Another way is by having the balcony inspected by a Structural Engineer or other suitably qualified building practitioner. Materials can deteriorate when exposed to the elements. In addition, fixings (such as bolts and screws) can loosen or corrode over time. A general visual inspection on a yearly basis should identify any problems. Some risk factors to look out for include:

- Pooling of water on the balcony surface
- Handrails fixed through the balcony's top surface
- Tops of solid balustrades and fixings at wall junctions
- Cladding finishing hard against the balcony
- No threshold between the building and the balcony.

### Timber balcony

The safety of elevated timber balconies should be a primary concern for any building owner. All exterior timbers are susceptible to insect attack and decay. Only pressure-treated pine is resistant to deterioration for an extended period of time. Wet-rot is a particular danger. A properly applied stain or paint finish will restrict water entry through the faces of timber members, but gaps and joints and exposed end-grain provide a ready place for moisture to penetrate, especially in seaside areas. Most well-maintained timber balconies should last for at least 20 years. The following tips may be useful:

- Look for any compression or deformation of the structural members. Test the timber by probing with a sharp object like a screwdriver. Decayed timber may feel soft and spongy.
- Gain access underneath and check connection points at the beams with a screwdriver for deterioration. Timber generally rots where two pieces of timber join. Examine brackets and bolts to make sure they are not loose or rusted.
- Make sure the structure is properly fixed to the building or that the members run into the building.
- Check the base of timber posts for rot and again check brackets and bolts for signs of rust.
- Ensure that posts are securely anchored to the foundation by being embedded into concrete footings,

or being attached to concrete footings using proprietary metal brackets.

- Ensure that water does not pond at the base of a post or at a wall support.
- Check handrails and balustrades to make sure they are not rotted, corroded, loose or unstable.
- Certain timbers such as oregon or untreated pine are more susceptible to external environments and may require a more rigorous maintenance schedule.



Concrete balcony

All exterior concrete balconies are susceptible to decay although this may not be readily evident. Cracking and flaking concrete and corrosion of reinforcement are signs of decay. Small cracks in a concrete surface may look harmless but gaps and joints provide a ready place for moisture to penetrate, especially in seaside areas. A well-maintained concrete balcony should last for 40-50 years. The following tips may also be useful:



- Look for signs of deflection. If the balcony leans, there is a problem.
- Examine the underside of the balcony. Rust stains on exposed steel reinforcing are signs of a serious problem.
- Check handrails and balustrades to make sure they are not rotted, corroded, loose or unstable.
- The presence of spalling, where chunks of concrete are flaking off or cracking, may indicate a serious problem and needs to be inspected by an expert.

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## PROTECTING YOUR FUTURE INVESTMENTS WITH A PRE-PURCHASE INSPECTION

With the current economic uncertainties, it is especially important to protect your future property investments. By engaging a professional to perform a pre-purchase inspection you are ensuring that any building defects within your investment property are detailed for your knowledge before you make a purchase.

Agents, vendors and purchasers all want a property sale to be problem free. Engaging a building consultant to perform a pre-purchase inspection on your investment is essential and will prove to be an extremely beneficial move.

Prior to settlement taking place we recommend that all properties be inspected by a professional who knows the regulations, standards and tolerances applicable and understands the construction methodology that has been engaged by the builder. Pre-purchase reports provide detailed accounts highlighting items located within the dwelling that may be inoperable, non-compliant or badly constructed. It will contain a clear and precise list of items that can be issued to the builder/developer at settlement or as a list of incomplete works requiring attention (in the case of new buildings). Being aware of problems with existing dwellings that you wish to invest in may give you better leverage during negotiations on the sale price of the property.

The specialist advice that you will receive through a pre-purchase inspection is the best way of identifying as much as possible about the current condition of your property investment before you buy. It will help you identify any major and costly problems in regards to your property and provide you with a review of what time consuming and potentially costly repairs you may be required to perform in the future.



Remember that if you are purchasing a property within a multi-residential strata scheme there is common property. Your pre-purchase inspection will only be an inspection of your units' interior and related exterior. Your investment will include an interest in the common property i.e. walkways, lobbies, garden, recreational facilities. It is advised to contact the owners corporation that is managing the building to enquire about the history of repairs to the common property and the related expenses. In larger buildings

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containing major capital items such as lifts, air-conditioning and heating plant rooms, you should enquire whether a positive growth trust fund is in place to cover the maintenance of these items. As an owner of a unit within a multi-strata scheme you will be required to share the costs of repairing the common areas and equipment, so if your owners corporation has set up a fund (usually in the form of a Maintenance Plan) you can rest assured that your property has funds accumulated for projected future maintenance works.

Roscon provides Property Inspection reports to assist in the pre-purchase process of any property. Our service includes a comprehensive account of your desired property's structure, roofing, walls and flooring and an all over inspection



providing any visible faults (with photos) with related commentary and recommendations. We provide 24 hour verbal reports by telephone so you can act fast and determine if the property is right for you. Our reports include a cost guide, list of required trades and recommendations on your property's soundness. Find out how to use our Pre-Purchase Inspection report and negotiate a price that suits you and not the selling agent or vendor.

## ROSCON TESTAMENT

### Community Living PTY LTD

COMMUNITY & SPECIALIST OWNERS CORPORATION MANAGERS

ABN 78 123 523 026

19 February 2009

Nicholas Andronaco

Business Development/ Public Relations Manager

Roscon Group of Companies

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COBURG VIC 3058

Dear Nicholas

#### Owners Corporation reports on Insurance Assessments and Maintenance Plans

I want to tell you how reassuring it is to work with someone who provides such prompt, accurate and reliable service. In our line of business clients depend upon us to provide them with the right advice at the right time and it certainly improves our standing in their eyes when we are able to table reports for their consideration complete and on time. And this is achieved without the need for us to hound anyone to ensure delivery on time! It all happens "automatically"! The reports that you prepare for our clients are critical for them to

make important strategic decisions about financial planning and to properly discharge their statutory and moral responsibilities. The technological integrity of your systems obviously provides Roscon with an ability to handle large volumes of work with efficiency and enables you to prepare and deliver reports on time reliably and consistently. The presentation of the reports, together with the predictable manner in which we can obtain the reports, provides for us a perception of professional competency which money can't buy. We certainly appreciate the apparent ease with which Roscon can accomplish this, sometimes with very limited notice.

Yours sincerely

**Bryan Forby**

**Director**

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## SOMETHING TO THINK ABOUT

Start with a cage containing five apes.

In the cage, hang a banana on a string and put stairs under it. Before long, an ape will go to the stairs and start to climb towards the banana, but as soon as he touches the stairs, spray all of the apes with cold water. After a while, another ape makes an attempt with the same result -- all the apes are sprayed with cold water. Turn off the cold water.

If, later, another ape tries to climb the stairs, the other apes will try to prevent it even though no water sprays them.

Now, remove one ape from the cage and replace it with a new one. The new ape sees the banana and wants to climb the stairs. To his horror, all of the other apes attack him. After another attempt and attack, he knows that if he tries to climb the stairs, he will be assaulted.

Next, remove another of the original five apes and replace it with a new one. The newcomer goes to the stairs and is attacked. The previous newcomer takes part in the punishment with enthusiasm.

Again, replace a third original ape with a new one. The new one makes it to the stairs and is attacked as well. Two of the four apes that beat him have no idea why they were not permitted to climb the stairs, or why they are participating in the beating of the newest ape.

After replacing the fourth and fifth original apes, all the apes which have been sprayed with cold water have been replaced.

Nevertheless, no ape ever again approaches the stairs.

Why not? "Because that's the way it's always been around here."

Sound familiar?

## NEXT *rosconupdate* spring 2009

- 1) Sinking fund versus Maintenance Budget Plan.
- 2) Why should a workplace look at internet harassment?
- 3) Essential Safety Measures and you

## CONTACT US

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