

FROM THE DIRECTOR



The recent IBCMV Symposium held by the Institute of Body Corporate Managers (Victoria), Inc. on the 31st August and 1st September 2007 was in my opinion a resounding success. The event gave attendees an opportunity to familiarise themselves with the new Owners Corporations Act 2006 which comes into full effect at the end of this year. An excellent and informative event, it was also a great occasion to catch up with new and old acquaintances.

At Roscon we are looking forward to the challenges ahead in the Body Corporate industry. We have taken a very proactive attitude in implementing vast improvements to our range of reports tailored to meet the needs of property managers.

*Paul Cummaudo is Managing Director of the Roscon Group of Companies
AREI, RBP, CRE, Licensed Estate Agent
Registered Building Practitioner DB-U 13329, CB-U 4272
Member REIV, MBAV, IBCMV, NCTI*

ESSENTIAL SAFETY MEASURES

Victoria's Building Commission recently completed an update of the essential safety measures manual for 2007. Understanding and adherence to these regulatory obligations are crucial to ensuring a safe and healthy built environment. The maintenance of a building has never been so paramount in safeguarding the life and health of occupants over the life of a building.

It is vital that professional property managers employed by either Owners Corporations or individual property owners who hand over their responsibilities to managers, are fully aware and understand their responsibilities in the ongoing maintenance of the essential safety measures in their buildings.

The Building Commission's role is to ensure the safety, liveability and sustainability of our built environment and to help achieve this, the authority has published an Essential Safety Measures Maintenance Manual - 4th Edition. The manual sets out in detail the requirements and the parameters that building owners and managers must work within to meet their regulatory obligations.

The 4th Edition manual is available from the Building Commission in hard copy with an electronic version on CD-ROM. To order your copy, contact the Building Commission on (03) 9285 6400. Alternatively you may visit their website at www.buildingcommission.com.au where you can view the latest practice notes 2007-23.

OH&S WILL BECOME PART OF BUSINESS IN THE FUTURE

Clients addressing their own Occupational Health and Safety concerns will be actively seeking to minimise their risks and liabilities. They should now demand from potential contractors evidence of their OH&S systems and procedures.

More than ever Federal and State agencies, The Department of Infrastructure, Councils, construction companies, developers, and our clients should be looking to address their own Occupational Health and Safety concerns and minimise their risks and liabilities. The practise of requesting from potential contractors evidence of their OHS systems and procedures are on the increase by smart forward thinking property managers. Roscon has, for a long time, been at the forefront in OHS procedures.

At the very minimum, all property managers should obtain from sub-contractors their verification of currency of insurances and a Job Safety Analysis (JSA) prior to the commencement of any works. Some managers are electing the easy way out in meeting their OHS obligations by simply providing their contractor lists to Trade Monitors who in turn charge a fee to the contractors. Unfortunately this alone will not protect the manager entirely as contractors must issue JSA's for individual works and Trade Monitors are not present to analyse each individual job scope of works, its complexities and the JSA's that are to be provided prior to the commencement of the works.

Sub-contractors should be asked to present their OHS policies, evidence of training, consultation and other elements of the OHS management systems in order to be able to successfully tender work. Managers should have an OHS system checklist for contractors to complete which will be used to determine that they are qualified to perform the tasks and that they have the necessary licences, permits, registrations, and insurances.

Property managers tendering works to contractors also need to know how the work is to be completed and what safety considerations have been taken into account. At present, the majority of property managers are simply accepting contractor JSA's and naively assuming that if the contractor has supplied one then all must be fine. A property manager is not trained nor do they have the necessary skills to assess a JSA's compliance. The JSA must be completed to show how the contractor intends to comply with all OHS procedures and how the work will be undertaken. It must describe the specific tasks to be carried out, how the tasks will be performed in a safe manner, what counter measures will be applied to reduce the risk of injury while following proscribed procedures, indication of correct OHS tested and tagged equipment to be used along with personal protective gear, how access heights are being handled, and if the site needed traffic

management, specialised equipment and other procedures. All these details are standard on large commercial developments where WorkSafe and trade unions have for a long time put procedures in place to ensure the safety of the employees, and now the Federal and State Governments are insisting that the same strict OHS procedures as those used on large developments be adopted for all works regardless of size. Roscon has identified this problem faced by property managers and is filling the void in the industry by being able to approve JSA's obtained by property managers at a minimal cost. Or, if the manager or owners corporation who intend to carry our works which may be complicated, Roscon can draft the JSA and other OHS documentation to enable the property manager to correctly tender the work to their nominated contractors. However, remember much of the documentation is now to be provided by the contractor who must give evidence of OHS systems and procedures and qualifications and training systems.

Roscon strongly recommends that property managers stay ahead of the game, with the advent of new OHS construction regulations which are continually upgraded, OHS will become an integral part of doing business in the future. More than ever before, OHS is one of the intrinsic keys of running a successful business.

Property managers looking to improve their OHS knowledge can contact the small business consultancy program which is an ideal means for small business operators (with less than 50 employees) to obtain resources and improve their OHS skills and knowledge. The 3 hours required is a minimal investment.

WHO'S LOOKING AT WHO

Recently we looked at a company who deals particularly in the strata industry. They operate by obtaining contractor lists from property managers so that they can vet the contractors and ensure that each one employed by the property manager is compliant with all the necessary licences, permits, registrations, and insurances. To our amazement this company even approached us with a view to conducting an audit of Roscon! Although assuredly Roscon has no compliance issues in meeting all necessary requirements we were nevertheless concerned that there exists a company who audits contractors of property managers, that to the best of our knowledge, has no legal or statutory qualifications. As a company Roscon already undergoes annual audits which entail internal assessments of all company procedures from customer service to handling of complaints and facilities to properly cope with the work we undertake. Another annual audit Roscon must comply with is the renewal of both our Unlimited Domestic builder's registration and Unlimited Commercial builder's registration with the Victorian Building Commission who ensure that all required insurances are current and in place before a builder's licence is renewed.

We constantly invest in industry sponsorships and other industry related courses to ensure that we are kept up to date with the Body Corporate/Owners Corporation Act and the building industry through our association with the Master Builders Association Of Victoria (MBAV) and the Institute of Body Corporate Managers Victoria (IBCMV). Roscon is continually monitored annually and at call by statutory authorities for compliance. The question which property managers must ask themselves is, "Who's looking over the shoulder of this so-called expert with no formal or government recognised industry qualifications and just what necessary licences, permits, registrations, and insurances does this company have?" By our

refusal to pay what amounts to an extortion fee to this company which allows them access to the Roscon systems has led them to consign Roscon as a non-compliant contractor. The Body Corporate industry should be mature enough to make its own assumptions about this issue.

NEW NAME FOR OUR INSURANCE VALUATIONS REPORTS



We have decided that Roscon, in accordance with the new Owners Corporation Act 2006 DIVISION 6 INSURANCE under Section 59 "Reinstatement and replacement Insurance Report", will adopt the same name for our Insurance reports. Integrating some of the leading insurance company guidelines into our reports, our new "Reinstatement and replacement Insurance Report" is further augmented to show more accurately the time it would take to rebuild from a

total loss. We have updated our software to take into account the type of development and its complexities to reinstate for example, a hypothetical 26 level building sitting on a 400 square metre site in the CBD where the "Reinstatement and replacement Insurance" is \$50 million which would take 44 months to reinstate (inclusive of demolition and design period). On the other hand, another building in the same locality spread over a larger site of 2,000 square metres with the same number of apartments or office spaces may require 37 months to be totally reinstated since on larger building sites, the builder can perform more work per month hence the quicker completion time.

Roscon has the necessary skills and hands-on experience to factor all these important aspects into our "Reinstatement and replacement Insurance Report." Don't risk undermining your "Reinstatement and replacement Insurance Reports" with the assumption that a property valuer is aware of all of the construction industry restraints and codes, building complications, town planning, building regulations and legal ramifications in the process of reinstating a building.

IMAGINE IF THERE WAS SUCH A COMPANY

There are over 480,000 individual properties owned by Victorians which fall under Owners Corporations. That represents approximately 1 in 4 Victorians who will own property in a shared development. As developments are now becoming larger in size and have more facilities, the work load is also becoming more labour intensive and expensive to maintain. Imagine if there was a company who could maintain and manage the site facilities in one contract thereby saving the property manager time and above all, the risk associated with dealing with twenty or more individual contractors within one development.

A solution could be CMC™. What is CMC™? It's a Comprehensive Maintenance Cover 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/Owners Corporations and property owners alike.

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In a typical scenario whereupon an individual Owners Corporation is attempting to negotiate a lift contract with a major lift company means that they have very little leverage in negotiating a sensible, affordable figure. However, imagine if Roscon were in a position to represent 100 lifts in the CBD alone, how would this change the annual maintenance figure? Up until now the property management industry has not given any serious thought about the strength of consolidation and its ability to reap cost effectiveness. Roscon can negotiate a number of contracts so that the end result is a cost savings to the Body Corporate/Owners Corporation.

Roscon takes the risk on repair and maintenance costs. *"We are happy to work within these guidelines as we believe this reinforces our commitment and removes our client's risk. If for example a light globe is not working or a door lock is malfunctioning we replace or repair it. There's no limit to the tasks we're asked to perform in managing maintenance in a property portfolio. Our key personnel have construction & property management expertise".*

Our acquired knowledge and extensive experience in property has enabled us to identify a VOID in the property maintenance and property reporting industry.

Roscon Group of Companies (Roscon) has evolved from its history of developing its own projects and construction and management of commercial and industrial projects. Its operations have been established in Melbourne since 1987. Since our beginning Roscon has extended its service capabilities into Property Maintenance Management, Grounds Management, Cleaning Services, Graffiti Removal, Waste Collection and all other Maintenance Management just to name a few. 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' most valuable resource – people power, enabling your management team to focus on operations fundamental to your business. Services that are not core to your business, but are still essential to your operations, benefit from specialist service delivery. When performed by people who know their job intimately, our services improve maintenance management control. Non core functions now strictly governed by statutory requirements require expert management and supervision.

It is acknowledged that a property manager will spend a considerable part of their working time attending to maintenance issues. On large developments it's not unusual for the property manager to deal with up to 20 or more contractors. By outsourcing the maintenance to Roscon your property managers will be further able to focus on managing and expanded property portfolios directly resulting in significant increase for your company's bottom line.

All Roscon's services are personally attended through one point of contact. 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 work place safety guidelines with appropriate Job Safety Analysis checklists which should be completed by all contractors prior to prescribed works being carried out.

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 variety of extensive detailed reports, which include:-

- 1) Occupational Health & Safety (OH&S) safety site inspection
- 2) Bodies Corporate 10 year maintenance plan
- 3) Reinstatement and replacement Insurance reports
- 4) Asbestos Inspection and Removal
- 5) Depreciation
- 6) Glazing
- 7) Pre-Purchase Inspection
- 8) Building Defects
- 9) Annual Essential Safety Measures report and Form 10
- 10) Pre Tenancy Electrical Audit
- 11) Pre Tenancy Plumbing Audit
- 12) Pre Tenancy Maintenance Audit

MOBILE CARETAKERS

Roscon anticipated growth in the industry where property managers are now looking to employ one company to carry out several duties within a complex. The benefits to the manager are many ranging from efficiencies inherent in having one point of contact to knowing that scheduled maintenance services are being consistently delivered to the property in a professional and timely manner. Our mobile caretakers have extensive experience, are well presented and above all carry the most pertinent equipment and or products and consumables in their vans. Our signature VW vans are specially modified to cater for this type of work.

There are many small independent operators around willing to carry out excellent work for short periods. However for a variety of reasons including reliability, the circumstances around individual one-man operations can change at short notice causing the property manager to be faced with the task of replacing the individual and the costs associated with the appointment of a new contractor can be time consuming and stressful.

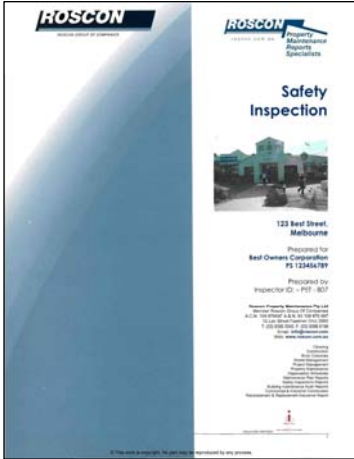
At Roscon we have developed CMC™ "Comprehensive Maintenance Cover." CMC™ acts like an insurance cover on the scheduled maintenance of the building at a fixed annual cost to members. All typical situations which require regular or preventative maintenance can be included in a CMC™. In most cases we can reduce the current amount being paid to multiple contractors to give you an overall cost savings. With CMC™ you get one contract, one company with quality assurance backup, and one point of contact. The best thing about CMC™ is that your clients will save between 10% to 20% on their current costs. To find out more about CMC™ contact our office or see our website at www.roscon.com.au

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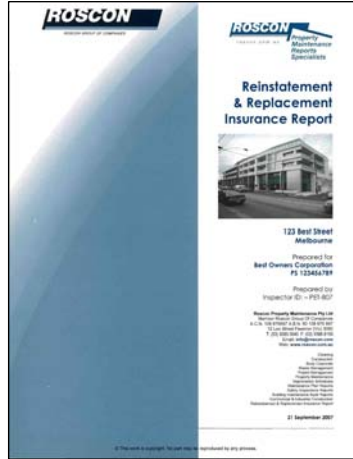
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REPORTS

In an effort to always provide the most up to date reports format Roscon have upgraded all report formats. After discussions with Owners Corporation Managers we have taken their comments on board, thereby providing a report fully compliant to the regulations and user friendly to the Owners Corporation Managers and other property owners.



OHS Safety Report is now more streamlined and comprehensive including cost estimates for noted items.



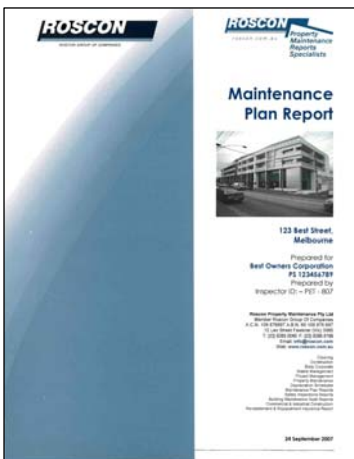
The Reinstatement & replacement insurance report has been revised to allow for the many variables that are applicable to reinstatement and replacement of buildings. Variables such as the number of storeys in a building, complexities of materials handling available site space traffic, power cables etc. It also notes loss of rent and temporary accommodation.



The Maintenance Building audit now also has costs estimates included with items noted within the report.

REPORTS PRICE GUARANTEE

We guarantee that we are the MOST competitively priced reporting professionals in the industry. If you are quoted a cheaper report price we will beat it by **10%** (a competitor's quotation must be provided as evidence in order to receive the discount).



Maintenance Budget Plan Report has been upgraded so that it reflects the current inflationary trends. Showing consideration for the escalation of materials and labour costs.

READERS

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NEXT *rosconupdate* Autumn 2008

- 1) Rubbish Collection – are your members being charged twice?
- 2) Occupational Health and Safety update – case study
- 3) Fixed maintenance agreement - a first option for major facilities management.
- 4) Roscon on the rise

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