

**INSIDE: All Pre 1992 Buildings to have an Asbestos Register & Underinsured? With Rising Building Costs You Probably Are...
HUMOUR: Will you live to be 80?...**

All Pre 1992 Buildings to Have an Asbestos Register – Why is it Required and what should it Contain?

National Asbestos legislation came into force more than 18 months ago and moved the goal posts on Asbestos compliance forever. Many believe the next round of legislative changes will require the removal of all Asbestos material and products from all buildings. For now both Asbestos materials and products need to be on an Asbestos register available on site for all trades people to inspect.

Recent research has shown that 50% of New South Wales buildings approved for construction before 1990 are currently without an onsite Asbestos Containing Materials (ACM) register - leaving individual managers and Owners Corporations at risk of a \$27,000 fine and open to future litigation.

Australia had used more asbestos per person than any other nation in the world - with one in three dwellings and buildings built before 1982 containing asbestos. Buildings that haven't identified ACM on their common property could be at a serious risk of exposure of the deadly fibre to individuals on their common property.

The National Occupational Health and Safety Commission (NOHSC) Code of Practice for the Management and Control of Asbestos in Workplaces [NOHSC: 2018 (2005)] advises all managers of residential,

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Underinsured? With Rising Building Costs You Probably Are...

Building costs have risen significantly across Australia in recent years despite a drop off in new home starts, primarily due to the seven successive rises in Reserve Bank Australia (RBA) official interest rates. Thankfully, the August decision to drop rates looks like the beginning of a much anticipated downward trend.

So why have building costs risen while housing starts have dropped?

Australia has been a two speed economy. Agriculture and infrastructure spending, commercial office construction and the resources and mining sectors are all booming. Combine this with Dubai attracting many Australian building professionals and you end up without any excess capacity due to a drop off in domestic housing being eaten up with demand from other sectors. Meanwhile, the financial services sector and retail are being affected as people spend less, particularly on household goods.

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All Pre 1992 Buildings to have an Asbestos

Register

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commercial and industrial buildings that operate as a workplace to hold an asbestos register onsite that shows the date(s) on which the inspection/identification was made, details of the location of the ACM, a risk assessment and control measures identified to handle the ACM.

Supporting this Code of Practice is the New South Wales Occupational Health and Safety Regulation 2001. It states in Part 8.7, 259 (2) (c) "An employer must ensure that: persons are warned, by the use of signs, labels or other similar measures, of the presence of asbestos or asbestos-containing material in a place at which construction work is being carried out."

Which buildings does the requirement apply to?

The requirement under the Code of Practice applies to all buildings that were built under an approval given by a local government before 1990 (including many buildings built in 1991 and some in 1992).

Owners of buildings must comply

According to the NOHSC Code of Practice and the New South Wales Occupational Health and Safety Regulation, a person with control of premises used as a workplace must ensure that all Asbestos and Asbestos Containing Material in their workplaces are identified. As a workplace means "any place where a person works", whether or not for reward or recognition, the common property of strata title buildings is generally classified as a workplace.

Strata Managers are caught under the definition of a 'person with control' and therefore need to ensure their obligations are met

Under the NOHSC Code of Practice, a person with control is defined as 'a person who has control of the premises used as a workplace' or 'a person who is able to make decisions about work undertaken at the premises'. If Managers do not meet their Asbestos management obligations it may expose both the Manager and the Owners Corporation to potential liability.

Do the internal areas of residential units have to be inspected for Asbestos?

No. This is the owner's responsibility and the internal areas of residential dwellings are not required to be on the common property's Asbestos Register.

What are the legal risks?

There are two major concerns from an Owners Corporation's point of view. The first is that there are heavy fines for not complying with the requirements for asbestos management. Under the Occupational Health and Safety Regulation 2001 not complying with the Regulation could cost you \$27,000.

The second risk is the exposure to civil litigation and large claims from people who have contracted asbestosis, mesothelioma or another life threatening illness as a result of residing in or visiting a building with an asbestos problem which has not been properly

managed. A claim of this nature could result in an award of damages in the hundreds of thousands if not millions of dollars. Given that the large majority of insurance companies now exclude claims related to asbestos this is a serious problem.

For an Owners Corporation to have any chance of defending itself from such a claim it would need to show that it had properly identified, managed and - where necessary - eliminated the risks associated with asbestos.

For a manager to avoid being held liable or defend themselves (if joined as a defendant to any civil claim), they would need to show that they had highlighted the asbestos risk to the Owners Corporation and recommended that they take the appropriate steps to identify, manage and - where necessary - eliminate the risk.

Example of an asbestos court case

Thousands of home and unit dwellers and owners could have an avenue to litigate after a landmark legal ruling in favour of a South Australian woman dying from an asbestos-related disease.

Helene Edwards, 57, was awarded \$803,403 by the Dust Disease Tribunal of New South Wales. She was exposed to asbestos while installing fibro sheeting in her home more than twenty years ago. Mrs. Edwards, a mother of three has been diagnosed with mesothelioma, a malignant tumour in the lungs, and was told she had only a year or two to live in 2000.

What can I do to ensure my common property is sound for contractors and employees?

Both state and national requirements state that workplaces need to have an onsite asbestos register that includes identification of the asbestos, analysis results, locations of asbestos, dates of inspections, details of materials presumed to contain asbestos and inaccessible areas that may contain asbestos.

This register is then available for viewing by;

- Workers and their representatives
- Any other employers within the premises
- Any person removing ACM
- Any person engaged to perform work that may disturb ACM
- Any other person who might be exposed

Your Easy Asbestos Solution

Many clients like you have asked Solutions ie to inspect and create Asbestos Registers for their whole portfolio of pre 1992 buildings. We have a complete service including installing the registers onsite with triplicate forms for contractors to send in with their invoices. It's your complete solution. Just call us on 1300 136 036 and talk to one of our experts.

Underinsured? With Rising Building Costs You Probably Are...

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On average Australian construction costs have grown substantially in the last decade with Sydney rates rising 40%, Queensland 92%, and Melbourne 53%.

Construction labour costs have been the driver with Sydney rising 68%, Queensland 104%, and Melbourne 76%. This year alone there is expected to be an average construction cost growth of over 12%.

Australia's drop off in new home starts has come at a time when our population is on the rise. Immigration is at an all time high and birth rates are up. It is no wonder that vacancy rates for domestic dwellings are very low. There is pent-up demand in the Australian market, with 20,000 less homes built than were needed in 2007 alone. This, combined with the fact that interest rates are trending downwards which will further stimulate demand, means that building prices will continue to rise.

So how does this affect your Owners Corporation?

There is a high likelihood that your building could be underinsured if your insurance valuation is not up to date. Most people are under the mistaken impression that this will only be an issue if the whole building is destroyed in a fire or natural disaster. This is not the case. There is a clause in building insurance policies called the averaging clause. This means that if you are underinsured all claims get paid in proportion to the insured replacement value against the actual replacement cost of the entire building.

For example;

Say your building was insured for \$2,000,000, but in the event of a total replacement it would cost \$3,000,000 to re-build. Due to the averaging clause you would only receive a payout two-thirds of any claim. So even if the claim was under \$2,000,000; say \$100,000 for water damage, you would only receive a payout of \$66,666. The rest would have to be paid by owners.

In Summary

All Eastern States have followed New South Wales' lead and now require mandatory professionally prepared Insurance Replacement Valuations at least every five years. Recent construction cost increases and the likelihood of increasing construction demand due to an undersupply of domestic housing and a softening interest rate climate means costs will continue to rise. The risks attached to being underinsured are huge and, in the event of any claim, potentially very expensive. The 5 year mandatory update of your Insurance Valuation should be considered the absolute maximum time frame. Many buildings in New South Wales already get their Insurance Valuations updated annually and this method of updating is considered best practice.

Buildings built between 1975 and 1989 and their special Sinking Fund needs...

Buildings with strata plans numbers 10,000 to 29,999 are from 19 to 33 years old. These complexes need particular attention to aspects of the building that will be near or at the end of their useful lives.

After completing 45,000 reports Solutions ie has studied the lives of all components of strata buildings to understand their lifecycle and the environmental impact caused by the geographical location of the building.

Items that need particular attention in professionally prepared Sinking Fund Plans include Colorbond coated steel items like Fascias, Gutters, Garage Doors, Down-pipes and roofs. Anodised aluminium windows are often a problem for buildings within 1km of a body of salt water as most developers have not used that thicker anodizing recommended for this environment. Some allowance for underground pipes is also needed especially where trees are present. Buildings unfortunately get more expensive to maintain as they age; to balance this most older buildings do not have extensive owner facilities.

If any of your buildings do not have a sinking fund plan now's the time to get them up-to-date and compliant with legislation.

Ordering a report is simple and inexpensive;

Phone on 1300 136 036

Fax on 1300 136 037

email enquiry@solutionsie.com.au

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HUMOUR

Will you live to be 80?

A man recently turned 64 and had to choose a new primary care physician for his Medicare coverage.

After two visits and exhaustive lab tests, the doctor told him he was doing 'fairly well' for his age.

A little concerned about that comment, the man couldn't resist asking the doctor 'Do you think I will live to be 80?'

The doctor replied: Do you smoke cigarettes or drink alcohol?'

'Oh no,' the man replied. 'I don't do drugs, either.'

'Do you have many friends and entertain frequently?'

The man said, 'No, I usually stay home and keep to myself'.

'Do you eat Rump steaks and sausages?'

The man replied, 'No, my other doctor said that all red meat is unhealthy!'

'Do you spend a lot of time in the sun, like playing golf, sailing, hiking, or bicycling?'

'No, I don't,' he said.

'Do you gamble, drive fast cars, or have a lot of sex?'

'No,' the man said. 'I don't do any of those things'.

The doctor then looked at the man and said,

'By the sounds of things you died years ago it's just a case of when we bury you...'

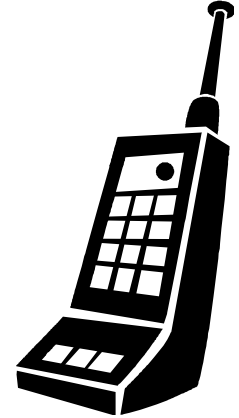


What to do with that old phone??

Have you recently bought a flash-bang new mobile and not sure what to do with your old Nokia?

It has been estimated that if 100 million dead mobile phones were recycled we could save enough energy to power more than 194,000 households with electricity for one year.

Recycling can help the environment by keeping usable and valuable materials out of landfills and incinerators. Mobile phones are made of precious metals, copper and plastics, which require energy to mine and manufacture. Recycling these materials not only conserves resources, but reduces air and water pollution and greenhouse gas emissions.



To find your closest used mobile phone drop-off location please visit;
<http://www.mobilemuster.com.au/recycle.aspx>

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