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Subject: Surge in Multi-Unit Developments

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Surge in Multi-Unit Developments

The Australian Bureau of Statistics reported a whopping 17.5% increase today in building approvals in the "other dwellings" category which includes buildings such as apartments, townhouses and flats.

After predicting a 0.5% fall in building approvals for the month of April 2008 economists were proven wrong as the Australian Bureau of Statistics released figures showing a 7.8% seasonally adjusted rise for April from March up to 13,750 units.

Private sector free-standing houses are only up 1.3 percent, showing the growing demand for inner-city, apartment living.

This rise is the first in four months after the last increase in November last year.

As the economy starts to slow this has to be a good sign for all those hard working body corporate managers out there!

Asbestosis Anyone?

Asbestos Compliance was the 1st January 2008... Are all your buildings covered?

You've seen all the stories in the news about renovators now being at risk of Asbestos related illnesses, but what is a Body Corporates responsibility? The last thing you need is a tenant, unit owner or contractor contracting a disease as a result of inhalation of asbestos fibres on your building's common property.

From 1st January 2008 new asbestos laws came into affect. All Asbestos Containing Materials or ACM is now to be included in an Asbestos Containing Materials Register that is kept on site in all buildings approved for construction before 31st December 1990 (which includes most building built during 1991 and some in 1992).

According to the Queensland Government's Workplace Health and Safety website;
Owners of buildings who have not complied with former regulations about the management of asbestos in buildings must now comply with the asbestos management code. Owners of structures that were compliant with former asbestos management regulations have until 1 January 2008 to comply with the asbestos management code.

Are workplaces like the common property of strata buildings exempt?

Common property fits under the definition of a workplace under the Workplace Health & Safety Act and Regulations and therefore must have an Asbestos Register. There is also a responsibility of the Body Corporate to comply with section 114 of the Body Corporate and Community Management Act 1997 ('the Act'). This section of the Act casts the duty on the Body Corporate to 'administer, manage and control the common property and body corporate assets reasonably and for the benefit of the Lot owners'.

It is also a common law duty of the body corporate not to endanger its occupants, workers and visitors by exposing them to unsafe materials on common property.

What about the risk from civil litigation?

The major concern is being exposed to a civil litigation claim from a person who has 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, thousands or possibly millions of dollars. Given that most insurance companies now exclude claims related to asbestos this is a serious problem.

For a body corporate manager to avoid liability or defend itself (if joined as a defendant to any civil claim) it would need to show that it had highlighted the asbestos risk to the body corporate and recommended that the body corporate takes the appropriate steps to identify, manage and where necessary eliminate the risk.

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

No. There is a residential exemption that excludes the internals of residential units.

How does including Asbestos Containing Materials (ACM) change things?

Up until 1st January 2006 only asbestos materials were required to be on your asbestos register. Asbestos Materials are most often found in acoustic and thermal insulation in walls and lagging (insulation) around pipes. In these situations asbestos was used in an almost raw state, which meant that asbestos fibres which are deadly if inhaled, would with very little disturbance get airborne. Asbestos fibres in this state are termed loose and friable.

On the other hand; Asbestos products, which were used extensively in building construction until 1990 and in some cases beyond and include AC sheeting or asbestos cement sheeting used in walls and soffits, floor and wall tiles, roof shingles, super 66 corrugated roofing sheets, electrical switchboard backing boards, fire doors and vermiculite.

Asbestos fibres in asbestos products were deemed until 1st January 2006 to be in a stable state and not a huge health risk. This of course is not true as simple act of drilling a hole through AC sheet releases airborne asbestos fibres.

These changes mean that both asbestos materials and asbestos products must now be on your asbestos register.

By what date must you comply?

The deadline was the 1st January 2008 so the majority of Body Corporate Managers have now complied with the new requirements. If you have not yet done so, now's the time to put a standard motion on all AGM meeting agendas in order to ensure that you are not at risk of civil litigation.

At Solutions IE we can provide you with an asbestos register that includes details of materials presumed to contain asbestos as well as risk assessment and analysis.

Order your hassle free common property asbestos report now by calling 1300 136 036.

Kind regards,

James Freestun
CEO, Solutions ie



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