



A MESSAGE FROM THE MANAGING DIRECTOR

Beware Building Insurance Pitfalls

Often, we are approached by either the landlord or tenant with questions on commercial building insurance, mostly when the premises are vacant and in between tenancies. The fact is that in order to get building insurance cover, it is the responsibility of the landlord to ensure that the premises has essential fire prevention equipment in place and that it complies with current safety standards.

However the situation may quickly change when a tenant takes over possession of the property. At this time, it is very important to emphasize that it is the responsibility of the tenant to make sure that their business operation is in line with current safety codes. Sometimes existing safety equipment is sufficient, but in some instances usually depending on the nature of the changed business conditions, the tenant will be required to supply and install additional fire protection equipment. If a fire occurs and regular maintenance and servicing has not been carried out, the insurer may refuse a claim.

AESI works closely with experts in both the fire prevention services and the insurance industry so, if you have questions which require further clarification please let us know.

David Hassett MD

OUR 2015 WINTER TIP

Now is the time for commercial property managers/owners to identify and assess all potential fire hazards in the business and understand the risks associated with lack of maintenance and improper use.

We see it each year where the cold winter months in particular present a greater risk for workplace fires with overworking of heating systems and malfunctions in electrical equipment presenting the most likely dangers.



FIRE SAFETY IN THE WORKPLACE...

Who is responsible?

If you're an owner, landlord or occupier of a business or commercial premises, you'll be responsible for fire safety.

Responsibilities

- Carry out a fire risk assessment of the premises and review it regularly
- Tell staff or their representatives about the risks you've identified
- Put in place, and maintain, appropriate fire safety measures
- Plan for an emergency
- Provide staff information, fire safety instruction and training.
- **Penalties and enforcement**
Offenders could be fined or go to prison if they refuse to follow fire safety regulations

Local fire, council and rescue authorities randomly inspect commercial premises and can issue fire safety notices authorising the immediate changes you will need to make.



AN AESI EXCLUSIVE WINTER OFFER!

Maintaining the safety of your commercial property is paramount to protecting your investment. To all our clients and readers of Landlord News, AESI is pleased to offer free and confidential advice on any aspect regarding Essential Safety Measures, Workplace Safety and Annual Safety Audits.

**EXCLUSIVE
OFFER**



RESTAURANTS ... FROM PROFIT TO LOSS IN A FLASH!

There are more than 14,000 cafes and restaurants in Australia, providing employment for over 145,000 people and generating total revenue of an estimated \$10 million. It is a highly competitive industry and many owners believe there has never been a more challenging time to make profits by improving productivity and increasing customer numbers. However unexpected kitchen fires can often see any profit endeavours quickly turn to disastrous losses if an out of control fire escalates and causes severe temporary or permanent damage. Restaurant kitchen fires are preventable if appropriate systems are installed, tested and maintained. And if management adheres to safe working practices by implementing effective cleaning and grease removal practices. If a fire occurs and regular maintenance and servicing has not been carried out, the insurer may refuse a claim.

Did You Know?

Commercial Property Sales can be GST FREE

If you sell commercial premises, such as shops, factories or offices, you're generally liable for GST on the sale price. This means you:

- pay GST of one-eleventh of the sale price
- can claim GST credits on your purchases that relate to selling the property (subject to the normal rules on GST credits) – such as the GST included in a real estate agent's fees.

But if your commercial property is being leased when you sell it, you may be able to treat your sale as a GST-free supply of a going concern.

A Recent Landlord Question...

Landlord News was recently asked to define Essential Safety Measures and the building owners safety obligations

Answer 1

ESMs are defined to mean any measure needed to ensure the safety of people using the property. These measures include fire-fighting equipment, fire rating of structures, penetrations to fire restricting structures, clear paths of travel through the building and means of exit (doors and handles) leading to open space. Other ESMs include emergency lighting, exit signs and smoke detectors.

Answer 2

BY Law the annual building safety Audit Report must be in the form approved by the Victorian Building Commission. This includes current and qualified statements confirming that the owner or an agent of the owner has taken all reasonable steps to ensure that each essential safety measure is operating properly and has been maintained in a state that enables it to fulfil its purpose.

NEED MORE INFORMATION?

Maintaining the safety of your property is paramount to protecting your investment.

AESI Services can help

- Asbestos Property Reports
- Essential Safety Measures inspections/audits
- Evacuation Plans and Training
- Occupational Health & Safety Issues
- Repairs and Maintenance

For confidential advice and assistance call AESI

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