

SPECTRUM SPEAKS



Welcome to our first Spectrum Speaks for 2024!

The beginning of this year has seen remarkable expansion for Spectrum Group, nearly doubling our size. This decision wasn't made lightly; we remain committed to our boutique approach, ensuring personalised service for each client. Welcoming Rebecca, Yousha and Alyssa to our Spectrum Lawyers team marks an exciting chapter. Rebecca and Yousha bring valuable legal expertise, and Alyssa joins us as a receptionist and law graduate, with plans to develop into a junior lawyer.

In addition to our legal expansion, Spectrum Coach has been actively engaged across Queensland, New South Wales, and Victoria, providing vital support and streamlined processes amid challenging market conditions. We are dedicated to empowering builders through informative training sessions, particularly in an industry facing declining sales.

Thank you for being part of our journey. We look forward to continuing to serve and support you.

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2024 Updates in the Building Industry

BY DONNA ABU-ELIAS

The construction landscape in Victoria has seen significant changes in legislation and regulations this year. Here's a concise overview of the recent developments:

Ban on Engineered Stone: The WHS Ministers met on 22 May 2024 to finalise the parameters for banning engineered stone. The Ministers confirmed that the ban will apply to engineering stone that has an artificial product that contains more than 1% crystalline silica by weight; and is created by combining natural stone material with other chemical constituents such as water, resins or pigments; and becomes hardened. We are still awaiting the regulations to ascertain the precise wording and transition requirements (if any). It is anticipated that in Victoria, this will be implemented from 1 July 2024. The Ministers also announced what would not be included in the definition of engineered stone. This included concrete & cement products and porcelain products and bricks, pavers and ceramic wall and floor tiles.

This will have widespread effects on *fixed price contracts*, and builders must prepare for potential supply chain disruptions as they transition to alternative products with new procurement arrangements with alternative manufacturers. Builders should be having conversations with owners now to foreshadow these changes, and continue to keep abreast of further announcements.

Workplace Injury Rehabilitation and Compensation Amendment (Workcover Scheme Modernisation) Act 2024: Effective from 31st March 2024, this Act introduces new eligibility criteria for mental injury claims under the Victorian WorkCover scheme.

Notably, it mandates significant behavioural, cognitive, or psychological dysfunction, diagnosed by a medical practitioner. The Act also excludes claims for stress and burnout, arising from typical work-related events (but not from repeated and unreasonable conflict with people or traumatic events).

Review of the Domestic Building Contracts Act (DBC Act): The Victorian Department of Government Services is currently leading the review of the DBC Act, and they developed an Issue Paper seeking input from stakeholders. This consultation process closed on 28 February 2024. As I sit on the HIA Legal & IR Committee, I attended many meetings in which the HIA shared their recommendations including permitting cost escalation clauses for projects exceeding \$500k; reverting the minimum contract value for cost-plus contracts back to \$500k; adopting less prescriptive progress claims method; and builders have a legal interest to lodge caveats to secure the final payment. Further updates are expected later this year.

Reforms to Domestic Building Insurance: The introduction of the Building Legislation Amendment (Domestic Building Insurance New Offences Act) 2024 have introduced stringent penalties for builders failing to obtain mandatory domestic building insurance (DBI). Offences include demanding or receiving payments under a major domestic building contract without DBI coverage. Penalties range from hefty fines to immediate suspension of registration. See Maria's article on page 5 for more details on the introduction of the Act.

Builders must remain vigilant amid these changes, ensuring compliance with evolving regulations to uphold industry standards and safeguard their businesses.

Mastering Time Management: Strategies for Success

BY FRED ABU-ELIAS

Time management is a skill that can significantly impact our productivity, efficiency, and overall well-being. In today's fast-paced world, where distractions abound and demands on our time are constant, mastering time management is more important than ever. By implementing effective strategies and techniques, we can make the most of our time and achieve our goals. Here are some key strategies:

Setting Clear Goals and Priorities

One of the first steps in effective time management is setting clear, achievable goals. By knowing what you want to accomplish, you can prioritise your tasks and focus your efforts on what truly matters. Use techniques like SMART goals (Specific, Measurable, Achievable, Relevant, Time-bound) to ensure your goals are well-defined and actionable. Once you have set your goals, prioritise them based on their importance and urgency, using techniques like Eisenhower Matrix or ABC prioritisation.

Planning and Organising Your Time

Effective planning is essential for managing your time efficiently. Start by creating a daily or weekly schedule, allocating specific time blocks for different tasks and activities. Use tools like calendars, planners, or digital apps to organise your schedule and keep track of deadlines. Break down larger tasks into smaller, manageable chunks, and allocate time for each part. This can help prevent procrastination and ensure steady progress towards your goals.



Managing Distractions and Time Wasters

Distractions are a major obstacle to effective time management. Identify your common distractions, such as social media, email, or multitasking, and take steps to minimise them. Use techniques like time blocking, where you dedicate specific periods for focused work, and eliminate distractions during those times. Practice mindfulness and stay present in the moment, focusing on one task at a time. Set boundaries with colleagues or family members to protect your focused work time.

Learning to Say No

One of the most challenging aspects of time management is learning to say no. It's important to recognize your limits and not overcommit yourself. Be selective about the tasks and projects you take on, and prioritise those that align with your goals and priorities. Politely but firmly decline requests that don't align with your priorities or that would overwhelm your schedule. Remember, saying no to some things means saying yes to your priorities.

Delegating and Outsourcing

Delegation can be a powerful tool for managing your time effectively. Identify tasks that can be delegated to others, either at work or at home, and empower those around you to take on these responsibilities. Delegating not only frees up your time for more important tasks but also helps develop the skills and capabilities of your team members.



Similarly, consider outsourcing tasks that are outside your expertise or that would be more efficiently handled by external professionals.

Practicing Self-Care

Taking care of yourself is essential for maintaining high levels of productivity and managing your time effectively. Make time for activities that help you relax and recharge, such as exercise, hobbies, or spending time with loved ones. Ensure you get enough sleep, eat healthily, and manage stress effectively. When you prioritise your well-being, you'll have more energy and focus to tackle your tasks efficiently.

Reviewing and Adjusting Your Approach

Effective time management is an ongoing process that requires regular review and adjustment. Take time to reflect on your progress and identify areas for improvement. Are there any tasks or habits that are not serving you well? What adjustments can you make to your schedule or approach to be more efficient? Be open to trying new techniques and strategies, and don't be afraid to adapt your approach as needed.

Mastering time management is a journey that requires commitment, self-discipline, and a willingness to continuously learn and improve. By setting clear goals, planning and organising your time, managing distractions, and prioritising self-care, you can enhance your productivity and achieve your goals more effectively. Remember, effective time management is not about doing more tasks but about doing the right tasks at the right time, ultimately leading to a more fulfilling and balanced life.

Update on new Victorian Act

BY MARIA FOKIANOS

As always, we are committed to keeping you informed about the latest developments in our industry, ensuring that you stay ahead and informed. In this edition, we bring you significant news regarding the *Building Legislation Amendment (Domestic Building Insurance New Offences) Act 2024* recently enacted.

Overview of the Last Year's Bill

Late last year, the Victorian government introduced a Bill into Parliament aimed at addressing a critical aspect of the building industry. This Bill sought to establish an offence for domestic builders who receive deposits or other payments from clients without obtaining a domestic building insurance (DBI) policy when signing a domestic building contract exceeding \$16,000.

The new Act

This Bill passed on 22 February 2024, seeing the introduction of the *Building Legislation Amendment (Domestic Building Insurance New Offences) Act 2024*, and proclaimed to commence from 28 February 2024. This has marked a significant shift in regulatory requirements for domestic builders.

It is an offence under the DBC Act for a builder to demand or receive money under a major domestic building contract if the builder has not obtained the required DBI to cover the domestic building work to be carried out under the contract (now including, when the builder knows the work is not covered by DBI or being reckless as to whether the DBI has been taken out). A new section 5(1)(ga) of the DBC Act now states that the 'managing or arranging of the carrying out' the works under section 5(1) is *domestic building work*.

Notably, the proposed maximum penalty for this offence stands at 2,500 penalty units (currently \$480,775) for a body corporate (or 500 penalty units (currently \$96,155) for a natural person. In addition to the monetary penalties to builders, the Act also sees the introduction of a ground for immediate suspension of registration if DBI is not obtained as required. These penalties and the introduction of the immediate suspension reflect the seriousness with which the government views this issue.

Stay Update and Compliant: Importantly, it's essential to remember that current regulations already mandate domestic builders to obtain DBI before collecting a deposit. Failure to comply with this requirement may also result in sanctions from the Victorian Building Authority (VBA), emphasising the importance of strict adherence to existing laws. It's worth noting that the offence is not intended to apply to genuine preliminary agreements or other arrangements entered into before the signing of a final building contract. However, builders should exercise caution and seek further advice if unsure about how these rules apply to their specific circumstances.

As we navigate these legislative changes together, let's remain vigilant and proactive in ensuring compliance with all regulatory requirements. By staying informed and taking appropriate steps in your pre-construction stage, we can continue to uphold the highest standards of professionalism and integrity in our industry.

Should you require further clarification on these matters, please don't hesitate to reach out to the Spectrum Lawyers & Consultants team.

Wills: Do you need one and what should you consider?

BY HANNAH SMITH

The short answer is YES! Everyone should have a Will and it is our strong recommendation that if you are over the age of 18 years, that you ensure that you have a valid Will.

In Victoria, any person over the age of 18 (or a person under this age who is married with the Court's consents) can enter into a Will provided they have the relevant testamentary capacity. This means that we (in preparing and witnessing your Will) must be satisfied that you understand the nature and the effect of making your Will.

Sometimes, if there are any concerns as to testamentary capacity (such as if you are elderly or have cognitive impairment such as early stages of dementia), we may require you to obtain a letter from your medical practitioner, confirming you have capacity.

You should also make sure that if your circumstances change, such as if you have children, a beneficiary in your Will, or your nominated executor passes away, that your Will is updated. Even if your circumstances have not changed, you should still read over your Will every few years and confirm it is still consistent with your intentions.

What is a Will?

A Will is a formal legal document that sets out how your estate is to be distributed when you pass away.

Your estate is the property that you own at the time of your passing including your home, car, shares, money in bank accounts, and even your personal belongings.

Your Will sets out important information, such as who you want to appoint as the executor of your estate. The executor is the person who will make the application to the Supreme Court for Probate and administer your estate in accordance with the terms of your Will.



In your Will, you nominate beneficiaries – these are the people you wish to leave your estate to. You can make specific bequests to beneficiaries – for example: you might want to ensure your wedding ring goes to your eldest child. Or you can provide that the residue of your estate (being everything owned by you at the time of your passing that has not been gifted as a specific bequest) be gifted to one beneficiary or divided between specific beneficiaries.

While not legally binding, your Will can also include wishes or directions that relate to guardianship of minor children, or your funeral wishes.

It is important that your Will is prepared and executed correctly so that it is valid and enforceable. Some of the formal requirements include that the Will is in writing, it is intended to be your Will, it is signed on each page by you and two witnesses (who are all present at the same time), and dated.



What to consider when making a Will.

Below is a brief list of questions we might ask you when preparing your Will:

- Who will be your executor? You can also nominate 2 or more persons to act jointly (or severally). You can also nominate an alternate executor to act if your first named executor/s are unable or unwilling. Your executor should ideally be someone that you trust, and who has an interest in your estate.
- Do you wish to make any specific bequests? These are often items of specific value or sentiment. For example: your jewellery, a painting you own, your car.
- What will happen to the residue of your estate? You can leave this to one person, divided between multiple persons in equal or unequal shares, to a charity etc.

- You should also consider what happens if one of your beneficiaries passes away before you. Would you prefer their share go to their children? Or would you prefer their share be divided among the other surviving beneficiaries?
- If you have young children, would you like to include a guardianship clause?
- Do you want to gift anything to charity?
- Do you want to make an organ donation? For only medical purposes, or for both medical or scientific purposes?
- Would you like to include funeral arrangements?

We may also ask you specific questions about the type of assets you own and your family circumstances. This is so we can ensure we provide you with advice on other matters for consideration such as if you are a blended family or if you are estranged from a family member and do not wish them to benefit from your estate.

What if I do not have a Will?

If you pass away without a valid Will, your estate might not be distributed to those you hope or intend it would be. If you die without a valid Will, this is referred to as being “intestate” and the law will determine how your estate will be distributed. In Victoria, if you pass away intestate, your estate will be distributed differently depending on if you passed away leaving a surviving spouse or partner. Your estate may be distributed to your spouse or domestic partner, children or parents, or more distant relatives. Or if you have no relatives at all, your estate may be distributed to the State. If you want to make sure your assets are gifted to the right person or people, make sure your Will is current, up to date and valid.

Spectrum Lawyers & Consultants are here to guide you through the steps to creating your Will, ensuring your loved ones are protected.



Adding Value to Clients in the New Homes Industry

BY FRED ABU-ELIAS

In the dynamic and competitive landscape of the new homes industry, adding value to clients is paramount. Whether you're a developer, real estate agent, or builder, understanding how to enhance the client experience can set you apart from the competition and foster long-term relationships. Here are some strategies to consider:

1. Personalised Service: Tailoring your approach to each client's needs and preferences can make a significant impact. From the initial consultation to the closing process, offering personalised service shows that you value their individual requirements.

2. Transparency and Communication: Clear and consistent communication builds trust. Keeping clients informed about the progress of their project, any challenges that arise, and being transparent about costs and timelines can help manage expectations and mitigate misunderstandings.

3. Quality Craftsmanship: Delivering high-quality workmanship and materials is essential. Clients want a home that is not only aesthetically pleasing but also durable and well-constructed. Using reputable suppliers and skilled labour can ensure the quality of the final product.



4. Innovative Design and Features:

Incorporating innovative design elements and features can set your homes apart from the competition. Whether it's energy-efficient appliances, smart home technology, or unique architectural details, offering something different can attract discerning clients.

5. Sustainability and Green Building

Practices: Many clients today are environmentally conscious and seek homes that are energy-efficient and sustainable. Incorporating green building practices, such as using eco-friendly materials and renewable energy sources, can appeal to this growing market segment.

6. Post-Sale Support: Providing post-sale support can enhance the client experience. This can include offering warranties, maintenance services, and guidance on home care and upkeep, ensuring that clients feel supported even after they've moved into their new home.

7. Community Engagement and Amenities:

Building a sense of community and offering amenities can add significant value. This can include parks, recreational facilities, and community events that foster a sense of belonging and enhance the overall quality of life for residents.

8. Flexible Financing Options: Offering flexible financing options can make homeownership more accessible to a broader range of clients. This can include assistance with down payments, financing for renovations, or other innovative financing solutions.

In conclusion, adding value to clients in the new homes industry requires a multifaceted approach that focuses on personalised service, quality craftsmanship, innovative design, and sustainability. By prioritising the client experience and exceeding expectations, you can build strong, lasting relationships and establish yourself as a trusted leader in the industry.

Spectrum Coach are here to guide you through how to add value to your clients' experience.





Spectrum Lawyers provide legal services with legal expertise across the following areas:

Building and construction law

- To assist builders and/or owners efficiently resolve building disputes
- Developing streamline procedures and training to manage the challenges in today's market
- Advising consultants & contractors on their legal obligations under the Building Act & Regulations
- Advising building surveyors on compliance issues
- Debt recovery
- Dispute resolution at private mediations, DBDRV, Tribunal and Courts
- Reviewing building contracts and advising on rights and obligations

Conveyancing

- Assisting clients with the purchase or sale of residential or commercial property

General Counsel Services

- Reviewing and advising on procurement contracts and licenses
- Reviewing and drafting policies and terms and conditions
- Negotiating contractual documents
- Providing training (contract law, Australian Consumer Law, advertising, warranty, etc.)

Probate, Wills and Powers of Attorney

- Administering estates
- Drafting Wills and Powers of Attorney to protect your family and assets

Family Law

- Assist you in matters regarding separation and divorce
- Property and financial settlements
- Children's matters and dispute resolution

E: info@spectrumlaw.net.au

T: (03) 7013 0970

W: spectrumlaw.net.au



@spectrum_law



@spectrumlawyers



@spectrum-lawyers





Spectrum Coach are designed to understand your business intimately, which allows us to provide the focused, dedicated support that we hold to high standards to all our clients. We understand that every business is different, and will have different needs. Choose one of our services or choose them all – whatever works for you and your business.

Sales

Without sales, you don't have a business. Our training gives you guidance at a micro level, arming you with specific strategies that are proven to close sales.

Operations

Your front end and back end operations are key to turning a profit. From taking the initial sale to getting to a site start, we have designed processes that are easily adopted to improve efficiencies, increase profits and help you to manage your jobs more effectively.

Design & Drafting

Our extensive design library has a range of plans you can use to sell your new homes which are fully customisable. Our training will equip you with the tools you need to sell these plans based on their respective features and benefits. Need a custom design? We can do that too.

Marketing

You're busy doing what you do best – building homes. Let our in-house team help you market your business so you can do more of what you love. We can guide you through marketing your brand, generating leads, and can even help you build a website. We can also manage your social media, including writing content and posting on your social media pages.

Business Coaching

We get it - running a new homes business is complicated. As the business owner, you have to be across every aspect, and not all of them are going to be your specialty. Our general business coaching gives you a team that are skilled in all areas of business, from construction to finance.

E: fred@spectrumcoach.com.au

M: 0447 062 996

W: spectrumcoach.com.au



@spectrum.coach



@spectrumcoach1



@spectrum-coach

