

The city council case study

Business



**ASSIGN
BUSTER**

Brandon has plans to live in the house and perform major renovations to greatly increase the value of the property. Once the house is completed he will sell it at a profit. Brandon plans to perform the renovations on the house on week-ends and his holidays. He will continue to work as an employed builder during the week so that he can pay the day to day bills.

Brisbane City Council approval has been granted for the renovations.

However, in approving the plans the City Council officer noted that given the age of the house, it would most likely contain building materials that contain asbestos.

The City Council building code requires that when there are any modifications to residential property that asbestos should be removed from the property. The reason for this is that asbestos contains fibers that can be potentially fatal. Brandon had to borrow money from the bank to purchase and renovate the house. The loan agreement only requires Brandon to pay interest for the first twelve months, after which he is required to pay both interest and capital. Paying interest and capital will increase the payments greatly.

While Brandon will be able to make the loan repayments from his salary as an employee for the first year, once he has to pay the interest and capital he will find it difficult to make payments on his salary. Brandon has a wife, Marion, and two children, Eugene and Anne. Eugene has a rare emetic disease that means that he requires expensive medical treatment. The government does not pay for this type of medical treatment. The medical

treatment is important as it will mean that Eugene will be able to live for at least another five years with no pain.

If Eugene does not receive the medical treatment, he will suffer great pain and his life expectancy will be reduced. Marion works part time at the local organic store so they can afford to pay for the medical treatment for their son. Unfortunately, in the January floods the organics store was flooded and the owner has made the decision that it is too expensive to open a new store. As a result, Marion has lost her job and has no idea where to find new employment. Marion feels immense guilt thinking that her son will not be able to get good medical treatment.

The first twelve months of the loan are now over and Brandon is now required to pay both interest and capital.

Further, Marion is still without a job and therefore the money that Brandon for working is all his family has to live on. While this money is enough to make the loan repayments, it does not leave much spare cash for other living expenses and in particular it will not be possible to pay for the medical expenses for Eugene. Brandon is now at the stage of his renovations where he needs to move the internal walls in the house.

These walls are made with asbestos and they all need to be removed to comply with the recommendation of the Brisbane City Council. There are extra costs associated with the removal of the walls due to the hazardous asbestos. The walls can only be removed by a licensed draftsman.

Brandon has thought about placing the new wall sheeting over the top to save money. These savings will mean he is able to get the required medical care for his son. When the final building inspection is done it will not be possible to tell the asbestos is still there so there will be no adverse building report.